Daily Report

Central Eurasia

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Central Eurasia

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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Caspian States Finalize Convention Draft

LD1110203294 Tehran IRNA in English 2017 GMT 11 Oct 94

[FBIS Transcribed Text] Moscow, Oct. 11, IRNA—Representatives of states bordering the Caspian Sea that is Iran, Russia, Azerbaijan, Kazakhstan and Turkmenistan are meeting here to finalize the draft of a cooperation convention of Caspian Sea littoral states.

Iran's deputy foreign minister for Euro-American affairs, Mahmud Vae'zi who leads the Iranian delegates to the meeting told reporters here Tuesday once finalized, the convention would help resolve ll problems in the area of fishing, shipping, the environment and exploitation of resources beneath the Caspian seabed.

He said if Iran's northern neighbours should want that their projected oil trunkline to europe pass though Iranian soil the Islamic Republic would agree with the project.

Head of the Russian delegation Albert Cherneshev who is deputy Russian minister of foreign affairs told reporters in the same interview here Tuesday that the meeting was not to table the issue of a recent agreement between the Republic of Azarbaijan with Western oil consortiums.

He commented that in light of the recent political and geopolitical developments in the Caspian Sea region a new revised system for distribution of Caspian Sea resources between Caspian Sea states should be devised.

Head of the delegation from Kazakhstan said the sovereignty of the Caspian Sea littoral states warrants their right for exercizing their authority over their own territorial waters of the Caspian Sea.

Iranian Minister Meets With Azeri, Turkmen Officials

LD1310093094 Tehran IRNA in English 0849 GMT 13 Oct 94

[FBIS Transcribed Text] Moscow, Oct. 13, IRNA—Iran's Deputy Foreign Minister Mahmud Va'ezi discussed expansion of mutual relations and regional issues in separate meetings with his counterparts from Turkmenistan and Azerbaijan here Wednesday night.

Va'ezi, in charge of Euro-American affairs, arrived here last Sunday for the meeting of representatives of the Caspian Sea littoral states, opened last Monday.

Va'ezi and Chary Babayev of Turkmenistan underlined the need for Tehran-Ashgabat coordination over issues relevant to the Caspian Sea, including formulation of laws for the largest lake of the world. The two officials also discussed the forthcoming visit to Turkmenistan of President Akbar Hashemi-Rafsanjani.

Meanwhile, in a meeting with Araz Azimov of Azerbaijan Va'ezi was briefed on the latest developments in that country and expressed satisfaction over peaceful settlement of crisis in Azerbaijan. The Iranian official also exchanged views on the forthcoming visit to Azerbaijan of President Rafsanjani.

Earlier on the day, Va'ezi met with the Russian Foreign Minister Andrey Kozyrev and discussed with him major bilateral and regional issues.

Russian Deputies Attend European Security Colloquium

LD1710093294 Moscow ITAR-TASS in English 0913 GMT 17 Oct 94

[By ITAR-TASS correspondent Andrey Krasnoshchokov]

[FBIS Transcribed Text] Paris October 17 TASS—"How to arrange for general security" is the subject of a colloquium which opens at the Paris headquarters of the Western European Union (WEU) Assembly on Monday.

The colloquium will be attended by a Russian federal assembly delegation, consisting of Petr Permyak, deputy chairman of the Federation Council Committee on Security and Defence Affairs, Viktor Ustinov, chairman of the State Duma Committee on Geopolitical Issues, Aleksandr Piskunov, deputy chairman of the State Duma Committee on Defence, and other parliamentarians.

Along with participation in the colloquium, the Russian delegation members will hold a series of meetings with WEU Assembly leaders, specifically with Assembly Chairman Sir Dudley Smith (Britain) and members of the Political Commission and the Commission on Defence with whom they will discuss prospects for the development of cooperation between Russia and the WEU.

The Russian parliamentarians are looking forward to meeting Jacques Baumel (France), chairman of the WEU Assembly Commission on Defence, who is to present a report on this matter at the autumn session of the Assembly.

The WEU is the only European organisation which has authority to tackle military issues. Its members are all European-Union countries, with the exception of Denmark and Ireland which have observer status at the WEU. Besides, Iceland, Norway, and Turkey, which are NATO members, have the status of "associated allies" at the WEU.

It is the first time that Russian parliamentarians have been invited to attend a WEU Assembly-organised colloquim on European security. Last time contacts of this kind were made in June 1989 when a parliamentary delegation of the former Soviet Union were guests at the Paris headquarters of the WEU Assembly.

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On the first day of the colloquium, those present are to be addressed by French Defence Minister Francois Leotard.

ITAR-TASS Carries Press Review for 15 Oct

LD1510073894 Moscow ITAR-TASS in English 0634 GMT 15 Oct 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow October 15 TASS—The Russian press continues to give wide coverage to the situation at the country's currency market and to the causes that brought about the collapse of the rouble on the "Black Tuesday" of October 11. Grigoriy Yavlinskiy, head of the Yabloko parliamentary group, writes in TRUD that the causes are deeper than the intrigues of currency speculators of the behaviour of the Central Bank. In his opinion, there are some general economic, political and moral reasons for the plummeting of the rouble exchange rate. For example, the fall of the rouble exchange rate was artificially curbed for a long time, an unrealistic budget was adopted, but never put into effect. Yavlinskiy regards as a rather dangerous sign the fact that the exchange rate of the national currency can go up or down by more than one third within an hour at the will of one person or a group of persons.

IZVESTIYA believes that the developments at the currency exchange were the result of a "purposeful and insistent policy" of the Central Bank and the Russian Government, aimed at bringing down the exchange rate of the Russian national currency. "Gerashchenko and Chernomyrdin needed badly the exchange rate of at least 4,000 roubles per dollar." They regarded it as a "magic" way for making up for the budget deficit. "The government, the state sector and the sector, which is close to the state structures, are the ones which profited from the collapse of the rouble exchange rate ... The so called currency speculators acted with the knowledge, or perhaps even on the instruction of the Central Bank," the newspaper writes.

Sergey Glaziyev, chairman of the State Duma committee on the economic policy, believes that "Gerashchenko and the Central Bank acted in line with the instructions of the government." "Most probably, the Russia's Choice parliamentary group will try to blame members of the government, whom they dislike, specifically Gerashchenko and Shokhin, for what has taken place, and will do their best to put their man in charge of the Central Bank," he said in an interview with SOVETSKAYA ROSSIYA.

IZVESTIYA writes in connection with the visit to Russia of the head of the Italian Government that the St. George Hall, the most spacious and beautiful hall of the Kremlin, was chosen for Russian- Italian talks. "The hosts are showing in every way their special attention to the Berlusconi couple," the newspaper points out.

An IZVESTIYA correspondent reports from Baghdad that Iraq is attaching much importance to the visit of Russian Foreign Minister Andrey Kozyrev, although his talks with the Iraqi leaders were not easy. According to KRASNAYA ZVEZDA, a new Persian Gulf crisis is developing according to the rules of a good detective story: each of the participants is acting, having in mind several moves ahead, and their true goals become clear only in the process of the game.

TRUD carries fragments from the preface of Yevgeniy Primakov, director of the external intelligence service, to the six-volume "glimpses of history of the Russian intelligence service", due to be published by the Mezhdunarodnye Otnoshenia publishing house. Writing about the threats to Russia at the end of the 20th century, Primakov mentioned the activities of the outside forces, which are trying to deepen, or just use to their own advantage, the weak points of Russia itself and its differences with the former USSR Republics, the prospects of the growth of the number of states possessing nuclear weapons, as well as a possibility that the countries, which took part in the "Cold War", will adopt new, even more destabilizing weapon systems. "The assistance in the pursuing by Russia of an active foreign policy in the western and eastern directions (including China, India, the Arab and Asia-Pacific regions) has been and continues to be one of the most important tasks of the intelligence service," Primakov stressed.

Touching upon a possible discussion of the vote of confidence to the government, Chairman of the State Duma Ivan Rybkin pointed out that all would depend on the government itself. He said in an ITAR- TASS interview specially for ROSSIYSKAYA GAZETA: "All will depend on the budget it is going to submit, on the way it sums up the results of the fulfillment of the 1994 budget, on the type of the tax legislation it is going to present, on what it thinks about the development of the country in 1995-1997."

According to IZVESTIYA, Aleksandr Solzhenitsin, who returned to Russia recently, is going to speak at a session of the State Duma approximately on October 28.

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Karasin Notes U.S. 'Irritation' Over Gulf Initiative

LD1410205094 Moscow INTERFAX in English 1915 GMT 14 Oct 94

[FBIS Transcribed Text] Russia is concerned over notes of irritation which appeared among representatives of the American administration due to the Russian initiative to settle the crisis in the zone of the Persian Gulf, spokesman of the Russian Foreign Ministry Grigoriy Karasin declared in an interview with Russian journalists on Friday in Kuwait.

He accompanies Russian Foreign Minister Andrey Kozyrev in his trip throughout the Persian Gulf region countries. Kozyrev visited Baghdad where he obtained the promise of Iraqi President Saddam Husayn to recognize Kuwait's sovereignty and territorial integrity.

In Karasin's words, Russia's position "is clear and precise. It arouses interest on the part of the countries of the region." Russia's policy contains no concealed intentions. "Our position is based on the decision of the UN Security Council," Karasin said.

In his words, on the eve of Kozyrev's trip to the Middle East there was a telephone talk between Russian and American Presidents Boris Yeltsin and Bill Clinton in the course of which they discussed key aims of Kozyrev's trip. On addition, Kozyrev discussed this subject in his telephone talk with US State Secretary Warren Christopher.

"There arouses the question that maybe it is just jealousy towards the Russian initiative," Karasin said. He refused to name American officials who expressed irritation due to the Russian initiative in the zone of the Persian Gulf.

As Karasin said, it is necessary to get acquainted with the original sources and documents and then to present Russia's more concrete and expanded reaction towards these statements.

When asked whether Kozyrev will meet with the US Defense Minister William Perry, on a visit to Kuwait, Karasin answered that the parties have not planned this meeting because the schedule of the Russian Foreign Minister "is extremely tense."

U.S. 'Not Pleased' With Kozyrev Over Iraq

LD1510154994 Moscow INTERFAX in English 1358 GMT 15 Oct 94

[FBIS Transcribed Text] A senior Russian diplomat said Washington was not pleased with the achievement of Russian Foreign Minister Andrey Kozyrev, who has persuaded Iraq to recognize the sovereignty and borders of Kuwait.

The diplomat told Interfax in Kuwait on Saturday that the United States had a plan to use force against Baghdad and was in no hurry to scrap it.

But "use of force is an extreme measure, for which there are no reasons today," the diplomat continued. "As long as there's a chance to avoid a conflict, it must be taken. We do have such a chance now, especially because, according to the information the Russian side possesses, the Iraqi troops who had been doing exercises near the Kuwaiti border have returned to their permanent places of deployment, although the Americans are denying that."

The diplomat expressed the hope that the current aggravation of the Gulf conflict would not affect the Russian-U.S. partnership. "Russia is ultimately acting in the interest of the entire international community, since in the long term the problem can have no military solution," he said.

Kozyrev, following a meeting with Kuwaiti Amir Jabir al-Ahmad al-Jabir al-Sabah, on Saturday leaves for the United Arab Emirates. The same day he is due to pay a brief visit to Saudi Arabia, after which, late on Saturday night, he sets off for New York to inform Russia's U.N. Security Council partners about his Middle East mission.

Alarm Over U.S. Statements on Gulf Noted

LD1610140694 Moscow Radio Moscow World Service in English 1210 GMT 16 Oct 94

[FBIS Transcribed Excerpt] A week of crisis in the Persian Gulf is the subject of our next commentary, contributed by Anatoliy Potapov:

[Passage omitted] How will the American Administration behave now that it has brought a huge military force to the Persian Gulf? Washington says that despite the Iraqi troop withdrawal, a preventive strike at Baghdad is needed to rule out the possibility of an Iraqi aggression in the future. Simultaneously, the influential American newspaper NEW YORK TIMES says that the Iraqi actions came as a gift for the U.S. President on the eve of the mid-term elections to Congress scheduled for 8th November.

Alarm is probably the only feeling such statements can evoke. Moscow from the very beginning of the crisis warned Iraq and some of the Western capitals against likely nervousness and hasty moves. Russia's position is this: Any military actions by Iraq are inadmissible, on the one hand, and it should observe in full the Security Council's resolutions, on the other. Russia is convinced that the use of force or threat to use force on any side has no future.

Our commentator thinks that it is from these positions that Russian Foreign Minister Andrey Kozyrev conducted his talks in Baghdad. The results of his meetings with Saddam Husayn are well known. Iraq said it had completed the withdrawal of its troops and was ready to (?decide) the issue of recognizing the sovereignty and borders of Kuwait. As Iraq fulfills the Security Council

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resolutions, Russia will insist on lifting the sanctions introduced by the world community.

There was another important issue discussed in Baghdad: the use of concrete measures helping to remove mutual suspicion between countries of the region. Reason and logic are dictating the need of political and diplomatic efforts to retain stability in the Persian Gulf, and this is exactly what Moscow is trying to do, says Anatoliy Potapov.

'Serious Split' Seen With U.S. Over Iraq

MM1710093394 Moscow KRASNAYA ZVEZDA in Russian 15 Oct 94 p 2

[Article by Aleksandr Golts: "Has Husayn Achieved His Aim?"]

[FBIS Translated Text] The new crisis in the Persian Gulf is developing according to the laws of a good thriller: Each of the participants is playing a complex game, and his true aims become apparent only as this game develops. It seems that what at first appeared to be a diplomatic breakthrough by Moscow could develop into a dispute between Russia and the United States.

Yesterday, following talks between Andrey Kozyrev, Russian Federation minister of foreign affairs, and Saddam Husayn, a joint statement for the press was made public containing a formula for a settlement which would not only ensure security in the region but also enable Iraq to save face. Baghdad officially announced the completion of its troops' withdrawal to rear positions. It gave an assurance of its readiness to resolve positively the question of recognizing Kuwait's sovereignty and borders in accordance with the UN Security Council resolution.

Russia declared its readiness to advocate the lifting of anti-Iraqi sanctions after Baghdad recognizes the borders of the neighboring country and fulfills the remaining points of UN resolutions. To judge from press reports, something like a schedule for carrying out these obligations was even outlined during the talks. Moscow will support the lifting of the embargo on Iraqi oil exports after a six-month trial period and after checks on its military installations by international inspectors. Is the crisis drawing to a close?

Not at all. Having begun this game by resolutely deploying its forces in the Gulf (which, in the opinion of experts, will cost $1 billion), Washington will find itself in an overtly foolish position if the formula of the Russian-Iraqi statement is adopted. In order to justify its decisiveness, the United States must finally bring Husayn to his knees (if not overthrow him altogether). Washington is taking a highly negative stand on the Russian initiative. The State Department has issued a statement maintaining that the Iraqi troops have not returned to their initial positions. In general, "one week after Husayn's attempt to intimidate the United Nations and Kuwait, it would be totally inappropriate to reward him by agreeing to consider the question of easing the sanctions." Meanwhile, the United States is pursuing an active campaign at the United Nations, pushing a very tough resolution. The U.S. defense secretary has reported that Washington intends to station warplanes and tanks in the region even if Iraq withdraws its troops. At the same time U.S. aircraft will strike at the Iraqi Army if its units cross the border of the buffer zone which is to be set up on Iraqi territory. The question of Baghdad's renouncing control over the south of Iraq is essentially being posed. It is highly doubtful that Husayn will agree to this.

Thus a serious split has become apparent between members of the Security Council. As a result, THE WASHINGTON POST concludes, "the United States is faced with a tough diplomatic discussion with Russia." But maybe it was just such a conflict that Husayn was trying to achieve?

'Domestic Factors' Seen Behind U.S.-Iraqi Face-Off

MM1710094794 Moscow ROSSIYSKAYA GAZETA in Russian 15 Oct 94 p 6

[Article by Aleksandr Krasulin: "Bluff Or Political Calculation? What Motivates Parties to Conflict on Kuwaiti Border"]

[FBIS Translated Excerpts] Having responded with restraint to the statement by Nizar Hamdun, Iraq's permanent representative to the United Nations, regarding the Iraqi troop withdrawal from the Kuwaiti border, the United States is continuing to mass troops in the Gulf region. President Clinton said that he has given orders for the number of U.S. warplanes in the Gulf to be increased. "The buildup of U.S. armed force will continue until there is convincing evidence that Iraq has no intention of invading Kuwait," he stressed in a televised address to the nation. B-52 bombers and other aircraft that played a highly important role in the 1991 war will also be sent to the region.

Other members of the administration are also in a determined mood. "I will not anticipate how far we will go," U.S. Defense Secretary William Perry said, "but, should we have to fight Iraq, our aim will be to totally crush the Iraqi Army." Nor did he rule out the possibility of carrying out a heavy preventive strike. [passage omitted]

Bill Clinton may have regarded the "preventive strike" to which his defense secretary referred, on the one hand, as a way of proving himself as a decisive politician and, on the other, as a means of bringing down Saddam Husayn's regime. However, the opportunity has most likely been missed and the military machine is continuing to escalate through inertia.

Evidently the U.S. President has not taken Russian interests in the region into consideration either. Russian Foreign Minister Andrey Kozyrev noted a few days ago

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that Russia makes no secret of its interest in the stage-by-stage lifting of sanctions from Baghdad in response to corresponding moves by the Iraqi leadership and the opening up of opportunities for economic cooperation, including payment of the billions which Iraq owes Russia. After all, in the event of another conflict in the region receipt of this money will become a matter for the dim and distant future.

Russian Deputy Foreign Minister Igor Ivanov has already gone to Baghdad, along with Viktor Posuvalyuk, director of the Russian Federation Foreign Ministry Near East Department, in order to prevent a second episode of the Gulf war. They brought the Iraqi leader a personal message from President Boris Yeltsin. They were joined by Andrey Kozyrev Thursday [13 October].

At first glance there is a great deal that is incomprehensible in Saddam Husayn's behavior. According to informed Iraqi sources, Iraq's leader is not in the mood to follow the military's expansionist advice since he takes a fairly sober view of the consequences of that kind of adventure. [passage omitted]

There is every indication that the Iraqi leader, like Clinton, was prompted to take action by domestic factors. Despite the large quantity of oil that is being extracted, the Iraqi population's living conditions are becoming increasingly intolerable and the meager food rations have already begun to arouse murmurs from the people. S. Husayn's fear of losing control of the situation within the country most likely forced him to take a desperate step. S. Husayn needs military tension to strengthen his positions both inside the country and throughout the Near East region and to maintain his reputation as an intrepid hero for whom defeat in battle against the infidel means an increase in prestige. That is more advantageous for him than the uncertain prospect of sanctions being lifted next year, particularly if that is accompanied by humiliating inspections and may require recognition of Kuwait.

The initial reaction indicates that this policy has already had the required result. According to reports from Baghdad, anti-Western sentiments are growing in the country and virtually all political movements support S. Husayn's resolute actions. As for the lifting of sanctions, such actions will evidently have the opposite effect here.

Britain's THE INDEPENDENT, which writes that S. Husayn wants to extend the term of the sanctions since they foster a siege mentality, increasing his authority and possibly enriching his friends on the "black market," has reached virtually the same conclusion.

U.S. Seen Incapable of Keeping Saddam in Check

MK1410134094 Moscow SEGODNYA in Russian 14 Oct 94 p 5

[Report by Pavel Felgengauer: "'Desert' Flop"]

[FBIS Translated Text] Wars had better be carried to the end. In spring 1991 the Americans were leaving southern Iraq and Kuwait as victors. But in reality "Desert Storm" did not achieve a real, strategic victory—American politicians and generals lacked the political will and accurate reading of the situation to transform their purely tactical military success into something larger.

At the time, according to plans, the Iraqi Republican Guard was to be encircled and destroyed in a grandiose tank battle north of Kuwait. But the 7th Corps of the U.S. Army, which had up to five tank and motorized divisions, delivered a blow into the void—the Republican Guard had enough time to retreat north in an organized fashion, its rear guard successfully fending off U.S. attacks.

The Americans, however, pretended that everything was okay—they did not have coordinated plans of further action all the same; moreover, Pentagon top brass cannot and do not like to improvise, and General Schwarzkopf had already won enough laurels for the rest of his life. At a news conference on 27 February 1991, when victory was slipping through his fingers, he boasted: "As of today, we have over 3,000 confirmed destroyed Iraqi tanks. I do mean destroyed or captured."

Saddam simply could not survive such a defeat—so why risk American soldiers' lives any longer? But subsequently it turned out that Gen. Schwarzkopf's statement was not true. Less than 1,000 Iraqi tanks were destroyed during "Desert Storm," nearly all of them outdated T-54's and T-55's.

This is why last week, when Baghdad unexpectedly moved a few tank divisions south, it suddenly became clear that Kuwait cannot be defended in principle, that American military depots left after the 1991 war could well be seized, and that a 20,000-strong Kuwaiti army is unlikely to put up a more sustained or efficient resistance than it did in August 1990. For this reason the Pentagon was forced urgently to start airlifting 4,000 soldiers of the 24th Motorized Infantry Division, having no time to figure out whether Saddam will really strike or whether it is only a frightening gesture.

Currently, the Americans are once again deployed on those same desert plains as three years ago in anticipation of a possible strike by tank divisions of the Iraqi Republican Guard. More than $100 billion was spent on "Desert Storm," but all in vain—if now or in the future Saddam commits his Republican Guard to a serious offensive, the small ground force in Kuwait would be simply crushed and the Americans would suffer their worst defeat since World War II.

For this reason some in Washington started talking about a possible preemptive air strike. But destroying an entrenched tank division by air attacks would be a hard task. In 1991, the Americans could not wear down the

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Republican Guard after 47 days of uninterrupted bomb attacks. A preemptive strike could only provoke a new invasion of Kuwait.

At present America has neither the money nor troops to deploy a ground force capable of taking on Iraq. Continually moving a token contingent in and out of Kuwait depending on whether the Iraqis have marched a couple of miles to the north or to the south would also be too costly and, most importantly, would simply make no sense. It seems that after Somalia and Bosnia the Persian Gulf has become yet another "hotbed" Washington is unable to control in principle. The last superpower is clearly showing signs of wearing out.

Sidorov on Differences With U.S. Over Iraq

LD1610085694 Moscow Mayak Radio Network in Russian 0730 GMT 16 Oct 94

[FBIS Translated Text] The United States considers that the resolution on Iraq which the UN Security Council adopted last night gives it the right to use force against that country. This was stated by Madeleine Albright, the permanent U.S. representative at the United Nations, after the Security Council session.

In Russia's view the resolution on Iraq does not give the United States the right to inflict military strikes. Vasiliy Sidorov, Russia's acting permanent UN representative, stated before the resolution was passed that the Russian delegation would vote for the resolution only in view of the fact that the co-authors of the draft resolution had taken account of some of the concerns of ourselves and a number of other delegations and had agreed to insert amendments making the text more balanced. The Russian representative stressed particularly that the resolution on Iraq does not contain any provision that could serve as grounds for inflicting military strikes or using force.

Kozyrev's Mediation in Iraq Seen Beneficial

MK1410130094 Moscow NEZAVISIMAYA GAZETA in Russian 14 Oct 94 p 1

[Report from Baghdad by Dmitriy Gornostayev under the "Diplomacy" rubric: "In Russian Jurisdiction. Andrey Kozyrev Leaves To Settle Persian Gulf Crisis"]

[FBIS Translated Excerpt] [Passage omitted] There are grounds to expect that Andrey Kozyrev's talks in Kuwait and Baghdad will also be helpful in bringing about a settlement to the current crisis in the Persian Gulf.

One reason for thinking so is the fact that not a single Western country is in a position in principle to hold direct talks with Saddam Husayn's regime. UN mediation is a possibility, but it has long been clear that agreements reached this way can at any moment be interpreted by the United States as it thinks fit. In addition, Baghdad appears also to have developed an allergy to the United Nations, whose sanctions have been imposed on it.

For the Americans, another option is also possible: Jimmy Carter, the troubleshooter. But this would be simply ludicrous: all conflicts catalyzed by Bill Clinton—the incumbent President—are being resolved at the eleventh hour by an ex-president. Moreover, Carter is yet another spoke in the wheels of the upcoming U.S. presidential campaign. For every instance where Carter is used to straighten out a mess made by Clinton is yet another point lost by the current chief of the U.S. Administration. For this reason Russia's official diplomatic activity in this situation would probably be more convenient for Clinton than Carter's private effort.

In addition, Moscow and Baghdad have traditionally had fairly good relations. Even now that Iraq risks being punished with international air strikes, Russian and Iraqi representatives are holding talks on the prospects for cooperation in the fuel and energy area. Naturally, Baghdad trusts Moscow more than Washington or London. [passage omitted]

Iraq Ready To Recognize Kuwait's Sovereignty, Borders

LD1410132294 Moscow INTERFAX in English 1220 GMT 14 Oct 94

[FBIS Transcribed Text] In Baghdad, in the early hours of Friday, Russia's First Deputy Foreign Minister Igor Ivanov and Iraqi Vice Premier Tariq 'Aziz worked out the wording of a joint statement reflecting agreement between Russian Foreign Minister Andrey Kozyrev and Iraqi President Saddam Husayn. The statement says that Iraq will be ready to recognize Kuwait's sovereignty and borders in line with resolution 833 of the UN Security Council.

Once Iraq recognizes Kuwait's sovereignty and borders, Russia is expected to "back official long-term monitoring efforts, in line with resolution 715 of the UN Security Council, and the simultaneous introduction of a limited probation period which, in the Russian view, should not extend beyond six months." The probation period is to confirm the effectiveness of the monitoring efforts. After its expiration, the UN Security Council is expected to decide whether provision 22 of resolution 687 has been fully met.

The statement confirms that "inasmuch as Iraq moves to meet the appropriate Security Council resolutions, Russia will work for the lifting of other anti-Iraqi sanctions."

Ivanov told Interfax that provision 22 refers to the lifting of an embargo on the sale of Iraqi oil and oil products.

He said that in principle Iraq was ready to recognize Kuwait's sovereignty and borders in line with Security

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Council resolution 833. It felt, though, that the declaration of the recognition and the launching of the monitoring efforts must be simultaneous.

According to Ivanov, Kozyrev dropped plans to visit the Iraq-Kuwait border. "There is no reason for that because the Iraqi troops have beyond doubt withdrawn from the border," Ivanov told Interfax. "The Russian military attache has just visited the joint border to confirm this."

There is no reason for a second meeting between Kozyrev and Saddam Husayn, either, as agreement has been reached on practically all the outstanding issues. Ivanov saw the Kozyrev-Husayn rendezvous as "a breakthrough for an earliest possible solution to the Gulf question."

On Friday Kozyrev will be expected to leave Baghdad for Kuwait.

Kozyrev Says Recognition of Borders 'Sensible'

LD1410162794 Moscow INTERFAX in English 1449 GMT 14 Oct 94

[FBIS Transcribed Text] Russian Foreign Minister Andrey Kozyrev called the Iraqi decision to recognize Kuwait's borders and sovereignty sensible. Speaking after a brief visit to Iraq where he met President Saddam Husayn, the minister likened the Iraqi move to a breakthrough.

Russia has achieved its goal of taking the Gulf process back into a political channel, Kozyrev told Interfax. "The military should not be allowed to handle what is the business of diplomats," he said.

The minister believes the Iraqi recognition of Kuwaiti borders implies no pre-conditions.

Asked if Iraq and the United Nations might get bogged down again over what should come first - the Iraqi recognition of Kuwaiti borders or international monitoring - Kozyrev said, "Let us not rush things. I do not get the impression that we have entered some kind of vicious circle so far. On the contrary, we have unravelled what may have seemed a tight knot."

However, senior Russian diplomats do not rule out a new stalemate if Baghdad and the U.N. Security Council fail to strike common ground.

The Russian minister, who now plans to visit New York to brief Security Council members on the outcome of his Middle East tour, is confident that there will be no differences in the Council in respect to Baghdad's latest move.

"We must encourage the Iraqi government in matters concerning the compliance with Security Council resolutions," Kozyrev said. He called for international sanctions on Iraq to be gradually eased as it complies with Council resolutions. The process of monitoring must be launched immediately so that the Gulf crisis becomes a catalyst for peace efforts rather than a starting point for confrontation, the minister said.

He is hopeful that the Security Council will take a decision on sanctions after a six-month period of monitoring has expired. "If a state complies with a Security Council demand, this body must respond accordingly by fulfilling its own resolution on lifting the sanctions. The law and common sense must be allowed to triumph," Kozyrev said. He believes that CSCE-style security and confidence-building measures can help avert a similar confrontation in the future.

A senior Russian diplomat told Interfax that the latest breakthrough follows a series of confidential and highly delicate meetings between Russian and Iraqi diplomats in recent time.

Kozyrev Ends Talks With Kuwaiti Counterpart

LD1410202194 Moscow ITAR-TASS World Service in Russian 1929 GMT 14 Oct 94

[By ITAR-TASS correspondents Dmitriy Gorokhov and Viktor Lebedev]

[FBIS Translated Excerpt] Kuwait, 14 Oct—"We value highly the steps taken by Russia in the current dangerous situation that has emerged in the north of the Arabian peninsula following the sudden and unmotivated concentration of Iraqi troops near Kuwait's borders", Shaykh Sabah al-Ahmad Al-Jabir Al-Sabah, Kuwait's first deputy prime minister and foreign minister, told ITAR-TASS correspondents today. He wished success to the efforts of Russian Foreign Minister Andrey Kozyrev, who, on President Boris Yeltsin's instructions, held talks in Baghdad and arrived in Kuwait today as part of a tour of a number of Arab capitals. [passage omitted]

Andrey Kozyrev's talks with Shaykh Sabah al-Ahmad al-Jabir al-Sabah were held in a warm and friendly atmosphere. No other meetings are envisaged today. Kozyrev will be received tomorrow by Shaykh Jabir al-Ahmad al-Jabir al-Sabah, the amir of Kuwait.

U.S. Defense Secretary William Perry arrived in Kuwait today at the same time as Andrey Kozyrev. There are reports of a proposed meeting between the Russian and U.S. ministers. Sources in the Russian delegation denied these rumors. The ministers, who are on friendly terms, and who head ministries with diametrically opposed functions, have not only different tasks, but also different itineraries, and the programs for their visits are very brief.

U.S. Reaction to Gulf Efforts 'Unexpected'

LD1510145894 Moscow INTERFAX in English 1358 GMT 15 Oct 94

[FBIS Transcribed Text] Foreign Minister Andrey Kozyrev described Washington's reaction to Russia's efforts to settle the new crisis in the Persian Gulf area as

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unexpected. He did so in answer to Interfax's question on Saturday before his departure for the United Arab Emirates from Kuwait.

According to Kozyrev, on the eve of his trip to the Middle East the Russian and American Presidents, Boris Yeltsin and Bill Clinton, had a telephone conversation. "President Clinton expressed support for our mission, whose goal was to persuade Iraq to comply with the Security Council resolutions and recognize Kuwait's sovereignty and borders," Kozyrev said. According to him, Iraq took its decision without any preliminary conditions.

"There was no deal between Russia and Iraq—it's a myth," Andrei Kozyrev pointed out. There is an "element of haste" in the American reaction, the Russian foreign minister said. "On Saturday I talked with Secretary of State Warren Christopher on telephone, and we agreed to meet in New York on Monday and discuss the details. We (Interfax's note: Russia and the USA) are moving in the same direction, but from different points," the foreign minister said.

With reference to the issue of sanctions against Baghdad Kozyrev noted that the U.N. Security Council will have to lift them, if Iraq complies with all its demands. According to the head of Russian diplomacy, after his visit to Baghdad Iraqi TV broadcast a statement from which the Iraqis learned that Kuwait is not an Iraqi province, but a sovereign state. This means a step forward. If Iraq continues to move in that direction, sanctions will have to be lifted, Kozyrev stressed.

He discussed issues connected with bilateral cooperation with the Kuwaiti leadership, Russia's foreign minister noted. The two sides agreed that Russian Prime Minister Viktor Chernomyrdin will pay a visit to Kuwait, he said.

Kozyrev, Perry Hold 'Unscheduled' Meeting

LD1610082594 Moscow Radio Rossii Network in Russian 0600 GMT 16 Oct 94

[FBIS Translated Text] At Kuwait Airport on Saturday evening Foreign Minister Andrey Kozyrev and U.S. Defense Secretary William Perry had an unscheduled meeting. According to ITAR-TASS, Kozyrev and Perry discussed the situation in the region and exchanged views on the outcome of their talks with the Kuwaiti leaders.

"We expressed the hope that the United States and Russia would reach a united viewpoint on ways to settle the situation in the Persian Gulf area," the head of the Pentagon said after the meeting.

Kozyrev Says UN Gulf Decision Reflects Moscow's Policy

LD1710041294 Moscow ITAR-TASS World Service in Russian 0231 GMT 17 Oct 94

[By ITAR-TASS correspondents Aleksey Agureyev and Dmitriy Gorokhov]

[FBIS Translated Text] New York, 17 October—A decision made by the UN Security Council clearly reflects Russia's policy aimed at settling the Gulf conflict politically, Russia's Foreign Minister Andrey Kozyrev said on Sunday. He told Russian journalists on board the airplane heading for New York, "The UN Security Council has approved the resolution at the very start of which mentions diplomatic efforts in settling the current crisis."

In other words, the minister continued, the UN Security Council supported those diplomatic efforts which some partners of Russia in the Security Council were against. Kozyrev went on to say that those countries included the United States which banked on the use of force.

Kozyrev said, "We kept saying from the start, that force in resolving the issue should be regarded as an extreme measure—if a war were to break out in the Gulf. We proposed a political initiative instead. This was the aim of my tour of the region which I made as instructed by Russian President Boris Yeltsin. The resolution which was first drawn up as 'a resolution of declaration of war', in essence, because it permitted a transfer to direct military actions, including air strikes on the part of the United States and other countries, has now turned into the UN Security Council decision which lays special stress on political measures."

Kozyrev said, "We said that we would use the right of veto if the resolution were of a unilateral nature, and added that this was unnecessary because the UN Security Council took into consideration Russia's position. [quotation marks as received]

Kozyrev on Readiness To Supply Arms to Gulf Countries

LD1710075194 Moscow ITAR-TASS World Service in Russian 0613 GMT 17 Oct 94

[By ITAR-TASS correspondents Aleksey Agureyev and Dmitriy Gorokhov]

[FBIS Translated Text] New York, 17 Oct—Russian Foreign Minister Andrey Kozyrev, who toured the Gulf countries last week, sees the possibility of Russia's concluding business agreements worth billions of dollars with the Gulf countries. The new relations of trust with these countries allow in particular the organization of military technical cooperation with them, which meets the interests of Russian industry, the Russian foreign minister told journalists aboard the Rossiya aircraft on Sunday.

We already have cooperation of this kind with Kuwait and the United Arab Emirates, he said. Russia is also ready to supply arms to Saudi Arabia. Andrey Kozyrev said he had spoken about this at his meeting with King Fahd Bin-'Abd-al-'Aziz Al Sa'ud at his residence in Jeddah on Saturday night.

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Asked if Iraq could also be a buyer of Russian weapons, Kozyrev said that this could happen only after the United Nations lifts sanctions and Iraq resumes its cooperation with the world community. Russia does not supply weapons to states which intend to use them for aggression. If Iraq were to fulfill UN demands, Baghdad would be able to return to the ranks of the fully-fledged members of the international community and any question of cooperation would be approached in keeping with the universally accepted manner. At the same time it is important to draw up confidence-building measures in the region similar to those in operation in Europe, Kozyrev said. Europe has agreements which do not permit maneuvers of a scale which could upset the neighbors of any country as was the case during confrontation years. If confidence-building measures are drawn up in the Gulf region, they will predetermine its development for years ahead, Kozyrev said.

Kozyrev Views Prospects of Cooperation With Gulf States

LD1710081394 Moscow ITAR-TASS in English 0715 GMT 17 Oct 94

[By ITAR-TASS correspondents Aleksey Agureyev and Dmitriy Gorokhov]

[FBIS Transcribed Text] New York October 3 TASS—Russian Foreign Minister Andrey Kozyrev who made a tour of Persian Gulf states last week, sees a chance for concluding business agreements between Russia and Gulf states, running into billions of dollars.

New relations of confidence with these countries enable Russia to establish military and technical cooperation with them, which meets the interests of Russian industry, the minister told journalists aboard the "Russia" plane on Sunday.

"We have already established such cooperation with Kuwait and the United Arab Emirates," he noted. Russia is also ready to supply weapons to Saudi Arabia. According to Kozyrev, he spoke about this with King Fahd at a meeting in his residence in Jeddah, which was held on the night between Saturday and Sunday.

Asked whether Iraq could also buy Russian weapons, Kozyrev noted that this can happen only after the United Nations lifts sanctions, and Iraq returns to the road of cooperation with the international community.

Russia does not supply weapons to states which intend to purchase them for aggression. Implementation by the Iraqi side of U.N. demands would return Baghdad to the number of full-fledged participants in international relations, and any issues of cooperation could be settled in an established order.

At the same time, it is important to draft confidence-building measures in the region, similar to those practiced in Europe, claimed the head of the Russian Foreign Office.

European countries reached understandings precluding large-scale war games which would worry neighbours of some or other country, as was the case in the period of the opposing blocs in Europe.

If confidence-building measures are achieved in the Gulf, they will predetermine the development in the region for years ahead, Kozyrev stressed.

Uncertainty Remains Despite Saddam Assurances

MM1710103194 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 15 Oct 94 p 1

[Article by Aleksey Bausin under the "Chief World Event" rubric: "Saddam Yielded to Andrey Kozyrev's Blandishments"]

[FBIS Translated Text] Something over which Russian diplomacy has taken such persistent trouble has finally happened. Saddam Husayn has assured Andrey Kozyrev, Russia's minister of foreign affairs, that Iraq is prepared to recognize Kuwait's sovereignty and the Iraqi-Kuwaiti border delineated in accordance with UN Security Council Resolution 833. Thus the last obstacles to lifting the embargo imposed against Iraq by the United Nations in 1990, when Saddam's troops invaded Kuwait, have been removed. The destruction of Iraqi weapons of mass destruction was made the chief condition for lifting the sanctions at the time, and this was completed not so long ago under the control of UN experts.

Now, following the minor "disturbance in the Gulf," the first signs have appeared that one of the hotbeds of tension in the region will finally be eliminated. For it was precisely recognition of Kuwait's sovereignty and of the existing borders that the international community was demanding of Baghdad in order to raise in earnest the question of lifting the sanctions. True, another problem remains unelucidated—the fate of the several hundred Kuwaiti prisoners captured by Iraq during the Gulf war.

As was only to be expected, however, Russia and Western countries prefer to advance at different speeds along the slippery path of lifting sanctions. Whereas Andrey Kozyrev believes that the UN Security Council must estimate Iraq's recent steps at their true worth (meaning—it is time to raise again the question of lifting the embargo), our "partners" prefer not to be in a hurry.

A high-ranking U.S. representative who asked not to be named declared that Iraq's recognition of Kuwait's borders will not mean the immediate lifting of the economic blockade. According to him, this step is just one of many that Baghdad must take to normalize the situation.

At the same time, as Christina Shelley, spokesperson for the U.S. State Department, pointed out, "the threat to Kuwait remains"—several thousand Iraqi servicemen

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and a large number of tanks remain 160 km from the border with the emirate and have taken up defensive positions.

It is hard to say now to what extent the Iraqi leader's recent statements will be in keeping with his actions. Saddam is an unpredictable man and, in general, "the Orient is a subtle thing." But if he still keeps his word, it can boldly be maintained that Russia will raise the Iraqi problem once again in the UN Security Council in the very near future. Particularly as Iraq has promised to start repaying its $7-billion debt to Russia right after the lifting of the sanctions.

Kuwait Acknowledges Moscow's Efforts in Gulf Crisis

LD1410220394 Moscow ITAR-TASS in English 2106 GMT 14 Oct 94

[By ITAR-TASS correspondents Dmitriy Gorokhov and Viktor Lebedev]

[FBIS Transcribed Text] El-Kuwait October 14 TASS—Kuwait highly appreciates Russia's moves in the dangerous situation which has arisen in the northern Arabian Peninsula because of the sudden and unexplained buildup of Iraqi Troops near Kuwaiti borders, ITAR-TASS was told today by Kuwait's First Deputy Prime Minister, Foreign Minister Shaykh Sabah al-Ahmad.

The Kuwaiti official wished success to Russian Foreign Minister Andrey Kozyrev who arrived in Kuwait today after his Baghdad talks and the tour of Arabian capitals.

Sabah al-Ahmad, an experienced Kuwaiti diplomat who headed the emirate's Foreign Ministry for decades, said at a dinner with the Russian foreign minister that he would be happy to meet Kozyrev in more peaceful conditions for discussing friendship and cooperation between the two countries. Kuwait and Russia have a tradition of good relations and numerous common interests, the Kuwaiti foreign minister said. He added that Moscow sided with Kuwait during its occupation and politically backed the activity of the anti-Iraqi coalition during the occupation of Kuwait. Sabah al-Ahmad stressed that Kuwait greeted Russia's present efforts to defuse tension in the region.

Speaking on Baghdad's declaration that it was ready to recognise Kuwait's sovereignty, the Kuwaiti statesman said the declaration of intention must be followed by action which would ensure irreversible solutions to security problems in the region.

Threats from Iraq Must be abolished for ever, Sabah al-Ahmad said. One occupation, multiple challenges and four years of threats are enough for Kuwait, he stressed. The Kuwaiti deputy prime minister said the U.N. Security Council should take measures to ensure that Baghdad's threats to Kuwait, other Arabian states and to the Security Council itself never reoccur.

The Russian foreign minister had no other meetings today. He is to meet Kuwait's Amir Jabir al-Sabah tomorrow.

American Defence Secretary William Perry arrived in Kuwait today. Hearsay among newsmen says the Russian and American ministers are to meet, but sources in the Russian delegation dismissed it. The two friendly ministers, who are heads of ministries with radically different functions, have different routes and programmes, and their stopovers are short.

Joint Statement With Iraq 'Raises Certain Questions'

MM1410170194 Moscow IZVESTIYA in Russian 15 Oct 94 p 2

[Report by Elmar Guseynov: "Kozyrev Putting Saddam on the Right Path. He Only Has To Convince the West That He Has Succeeded"]

[FBIS Translated Text] Baghdad—For the first time since Iraqi troops invaded Kuwait, the head of the foreign policy department of one of the great powers has arrived in Baghdad to meet with the top Iraqi leadership. Andrey Kozyrev himself defined the task of the extraordinary visit as being to try to return the situation over Iraq to positive political steps. Russian diplomacy is thus trying to act as peacemaker between Iraq and the world community.

The emergency nature of Kozyrev's visit to Iraq and the Persian Gulf countries was reflected in the organization of the trip itself. Suffice it to say that the journalists invited by the Russian Foreign Ministry on the trip only learned on board the aircraft that the itinerary for the trip would include the United States apart from Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates.

Andrey Kozyrev proposes discussing the results of his diplomatic voyage at UN Headquarters in New York.

The Iraqis themselves attach great importance to the Kozyrev visit. This was shown by the countless Mercedes cars supplied to meet the small Russian delegation. And by the motorcycle outriders on their snow-white Hondas who escorted Andrey Kozyrev's cortege around Baghdad. And by the fact that the television report on the Russian minister's meeting with President Husayn, contrary to the traditions of local television, was aired almost immediately.

The journalists who were waiting at a government residence for the results of the meeting between Kozyrev and Husayn and Deputy Prime Minister Tariq Aziz got the impression that it had not gone smoothly [prokhodila ona nelegko]. This was also shown by the weary and not very happy-looking Andrey Kozyrev himself after the first round of talks. A few more hours of consultations were needed in order to reach the accords on the night of Thursday and Friday which were enshrined in the Russian and Iraqi delegations' joint report.

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The results of the talks will still have to be analyzed. But even at first glance the text of this short document raises certain questions. Thus, in it Iraq assures Russia of its readiness to recognize Kuwait's sovereignty and borders. We should pay tribute to Kozyrev's persistence. This is the first such statement by Saddam Husayn on the Kuwait problem. Moscow, for its part, guarantees Baghdad its support on the question of launching a mechanism to lift the international sanctions.

But the fact is that recognition of Kuwait's sovereignty is an unconditional UN demand. Iraq is simply obliged to carry it out without any additional conditions.

It is also surprising that the guarantees to Iraq take up three times as much space in the one-and-a-half-page text as the Iraqi side's limited promises.

I think that a great deal will come to light after Kozyrev's meeting with the foreign ministers of the United States, Britain, France, and the Gulf countries that is due to open in Kuwait City, where the Russian foreign minister headed on Friday afternoon.

Official Warns Against Blocking Positive Moves on Iraq

LD1410181094 Moscow INTERFAX in English 1653 GMT 14 Oct 94

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow disapproves of the idea of Washington to create in South Iraq a "prohibited zone" with consent of the international community. In such a zone all units of the Iraqi Army could be stationed, including the infantry, a high-ranking official of the Russian Foreign Ministry said in an interview with Interfax today.

He assessed the initiative of the U.S. as "one more move towards toughening the regime of sanctions towards Baghdad." The same source said Moscow believed that Iraq must not be treated only by exercising pressure on it without opening to it any positive perspective which could make it hope for softening the sanctions.

The diplomat said that there had no been such a perspective opening to Iraq over the last four years. He said the first two years and six months had been marked by a closed confrontation between Iraq and the international community. Later Baghdad began cooperating with the UN special commission for disarming Iraq which marked a positive shift in development of the situation, he added.

He said that, certainly, Iraq was not doing it for free but hoped that its good conduct would be awarded some day. The diplomat added that if Iraq was not encouraged and did not have perspectives for changes for the better there could be events similar to those which had taken place in South Iraq in early October repeating in the future.

The Russian diplomat said that the move of Baghdad in South Iraq to a certain extent was an attempt to find a way out of the present situation.

The diplomat said Russia had warned Iraq that its methods were politically wrong and absolutely unacceptable either for Moscow or for the world community. He said Moscow regarded the incident as confirming that it was impossible to use only pressure when dealing with Iraq.

He said the U.S. stated in the UN Security Council that it would not admit that the monitoring mechanism for a long-term control over implementation of disarmament measures of the UN Security Council by Iraq begin functioning. The diplomat said the U.S. had done this though the mechanism had practically been completed which meant that inspectors were ready and a monitoring center had been installed and equipped in Baghdad. So, the UN experts say they are ready to begin operating with the monitoring mechanism while the U.S. says it will not admit that a decision on this issue be made within the context of the present situation, the diplomat added.

The diplomat said such a position of Washington showed that the U.S. was choosing which UN resolutions to follow and which not so necessarily. "Monitoring is not a present for Iraq. It is a result of implementing the resolution of the UN Security Council which, in fact, provides for imposing certain limitations on Iraq," he added.

The diplomat stressed that the present provocative moves of Iraq could not make Russia sympathize with them though these moves were a pretext for seriously considering the problem once again. He said Moscow was trying to find a way out operating with political methods.

The diplomat said he believed that the visit of the Russian foreign minister to Baghdad was "a success on the whole." "In the joint Russian-Iraqi statement Iraq not only confirmed the complete withdrawal of its troops from the border with Kuwait but also said it was ready to recognize sovereignty of Kuwait and its borders in accordance with Resolution 833 of the UN Security Council," he added. He said this political success must be strengthened.

The diplomat said there were also humanitarian aspects of the sanctions from which millions of Iraqis were suffering. He said there was hunger in Iraq and a deficiency in medicaments which could not be ignored.

The diplomat made it clear that Moscow did not approve of the position of Baghdad insisting that the monitoring mechanism begin functioning before it recognize Kuwait's sovereignty and international borders. "Certainly, Iraq would like to have some guarantees but the

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present situation is not appropriate for bargaining. Iraq must carry out the resolutions of the UN Security Council unconditionally as a country-aggressor punished by the international community," he added.

He said Russia was not making concessions to Iraq. "We demand that Baghdad strictly implement its obligations under the resolutions of the UN Security Council. If it carries them out, we will support lifting the embargo on export of Iraqi oil in the UN Security Council. Later, other sanctions could be lifted," he added. The diplomat stressed that the UN resolutions provide for obligations not only for Iraq but also for the world community.

UK's Hurd Cites 'Inadequacy' of Russian-Iraqi Statement

LD1410175494 Moscow ITAR-TASS in English 1635 GMT 14 Oct 94

[By ITAR-TASS correspondent Vitaliy Makarchev]

[FBIS Transcribed Text] London October 14 TASS—British Secretary of State for Home and Commonwealth Affairs Douglas Hurd gave the following interview on his way to Damascus today.

Asked about the Russian-Iraqi statement, the secretary said he had not seen the text but judging by information he received he can make a conclusion of its clear inadequacy on two reasons.

It seems that the statement awards Saddam Husayn for his provocative actions in the past decade, and it is a mistake. What is more important, the document gives no answer to the concern the secretary witnessed during his trip to the Persian Gulf.

The king of Saudi Arabia is very alarmed Husayn may resume threats after the American and British troops go home. These fears will remain till something is done to prevent the armored fist of Saddam from hanging over Kuwait and its neighbours, said Hurd.

He said they must find a method to exclude this threat in future. Work is being done in New York and Russia participates in it, and a draft resolution may soon be elaborated, said Hurd.

Asked whether Husayn's recognition of Kuwait will be a step forward, the secretary said this step would be insufficient to lift sanctions in six months. He noted they must be absolutely sure that Iraq fulfills all resolutions of the Security Council, including mass destruction arms and recognition of borders. It is easy to recognize border in declarations, but it must be clear that Husayn will no longer be able to threaten the border with mobilization of his divisions, said Hurd.

Asked whether the Russian initiative was useful, the secretary said it was inadequate and they will discuss it with the Russian side, their allies and friends.

Yuriy Solton Comments on Diplomacy in Iraq

LD1410141694 Moscow Radio Moscow World Service in English 1210 GMT 14 Oct 94

[FBIS Transcribed Text] Iraq is ready to positively resolve the question of recognizing Kuwait's sovereignty and borders in keeping with the UN Security Council resolution. This has been announced in an official report released in Baghdad on the outcome of the talks between Russia's foreign minister, Andrey Kozyrev, and the Iraqi president, Saddam Husayn. Yuriy Solton has prepared the following commentary:

Russian diplomacy may be congratulated on a success. After Baghdad took the provocative move of transfering its troops to the borders with Kuwait the United States was hastily increasing its military presence in the Persian Gulf zone, threatening preventive strikes against Iraq. Moscow was taking energetic efforts, seeking a political way out of the crisis. The Russian president also tackled this problem. And the efforts taken have produced a positive result. Baghdad has pulled its troops to the north of the country. It has, in fact, recognized Kuwait's sovereignty and agreed to the six month control period of the UN system of monitoring major military objects in the country.

The armed conflict, which was about to erupt, seems to have been prevented. Certainly it is too early to say that the danger of a conflict has been fully removed. The military machine set in motion by Washington continues to operate. U.S. units continue to be dispatched to the Gulf area. A joint Russian/Iraqi report has aroused no enthusiasm in the United States capital. The U.S. State Department's official statement calls into question the preparedness expressed by Baghdad to recognize Kuwait's sovereignty. The statement notes that it's not for the first time that Baghdad has stated this. But its word have never been followed by illegal acts.

The statement also emphasizes that there is further threat of aggression against Kuwait, and it would be beside the point to encourage Iraq by agreeing to consider an easing of sanctions against it. Moreover, the United States representative on the UN Security Council is preparing a resolution to toughen these sanctions.

Undoubtedly, moving Iraqi troops to the border with Kuwait, though formally Baghdad has not violated any UN prohibitions, has created a certain psychological atmosphere which makes it difficult to consider the question of easing the sanctions. Anyhow, it's not a matter of emotions but principles. Iraq has practically implemented the UN Security Council resolution on liquidation of its nuclear, chemical and biological weapons and missiles equipment. The chairman of the UN special commission, Rolf Ekeus, informed the Security Council about this back in April.

If now Baghdad officially recognizes Kuwait's sovereignty and does not hamper the work of the UN long-term control system, the Security Council in keeping

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with its own resolutions is simply obliged to consider the question of sanctions. Opinions about Saddam Husayn's regime can differ. But trust in the United Nations must not be undermined.

Following his tour of the Persian Gulf countries the Russian foreign minister, Andrey Kozyrev, will inform the UN Security Council on the outcome of his peace-making mission. It's a matter of honor for the Council to take a sensible decision.

Commentary on Development of Iraq Situation

LD1410170094 Moscow ITAR-TASS in English 1453 GMT 14 Oct 94

[By ITAR-TASS diplomatic observer Yuriy Tyssovskiy]

[FBIS Translated Text] Moscow October 14 TASS—How one should deal with Baghdad? This question is now pondered by diplomats faced with the problem of post-war settlement in the Persian Gulf. The recent demarche of Iraqi President Saddam Husayn who rushed a 80-thousand strong army with 700 tanks to the Kuwait border puzzled even the hero of the Desert Storm, now retired General Norman Schwarzkopf. The general arrived at a simple conclusion. According to him, Saddam Husayn believes that the side agreeing to a compromise with him is a loser. Therefore he sends his troops to the south, compels everyone to pounder the problem and then withdraws the troops and says: "Look what a good guy I am. Now you send Jimmy Carter here and let's talk".

Indeed the Iraqi leader seemed to try to overcome by his move the stalemate that formed when his belated cooperation with the United Nations special commission in charge of scrapping Iraq's weapons of mass distruction and rocketry has not resulted in a prompt lifting of the oil embargo. Although a report of the commission's executive chairman Rolf Ekeus was very favourable for Baghdad, of which Iraqi statesmen were surely aware, Saddam Husayn decided to move in advance and dramatised the situation to the utmost.

After unnerving the world community and compelling the allies in the anti-Iraqi coalition, above all the United States, to spend a lot a money to dispatch large military contingents to the region, Saddam Husayn began to talks about a diplomatic solution to the conflict. So far everything proceeds as predicted by General Schwarzkopf. It is only that Russian Foreign Minister Andrey Kozyrev seems to play Jimmy Carter's role. He is now conducting negotiations in Baghdad, and not without success.

The joint Iraqi-Russian communique published on the results of the talks in Baghdad on Thursday says that Iraq "confirmed its readiness to resolve the problem of the recognition of Kuwait's sovereignty and border with it in accordance with the U.N. Security Council's Resolution 833. So the problem that is of much importance for the future comprehensive settlement in the Gulf zone is resolved and Kuwait's lawful demands as the victim of Iraq's aggression are satisfied. Kuwaiti representatives received this news with satisfaction, while the United States is sceptical.

It is hardly right to agree with the assertions that the Iraqi regime has fully and unconditionaly lost the confrontation, as it seemed two or three days ago. It is undoubtedly so regarding the lifting or easing of sanctions. All the efforts of Russia, France and China in this direction that promised definite progress have proved futile.

Still, it is now clear that Baghdad has achieved a great deal. First of all, Baghdad made it plain that it remains an unpredictable force on a regional scale, dangerous for its southern neighbours, and that it can explode the situation in the world's oil-rich district any time. One arrives at the natural conclusion that if the Iraqi regime is being driven into a corner by force, its confrontational syndrome will remain and become more dangerous.

Permanent members of the U.N. Security Council who unanimously condemned the latest Iraqi demarche have no identity of views as to how to remedy the situation. Washington and London favour "surgery" while Moscow, Paris and Beijing are inclined to rely on "conservative" treatment. In other words, they favour rewarding Iraq after receiving the proof of its cooperation with the United Nations in the disarmament area and its recognition of Kuwait's sovereignty and of the common border with Kuwait. Baghdad complied with these requests and is now waiting for steps to lift the sanctions imposed on it by the world community.

However, the United States objects to these natural developments. U.S. representatives say now that Baghdad's recognition of Kuwait's sovereignty is not enough, that Baghdad should do much to achieve the easing of sanctions and their subsequent lifting. Officials in Washington and London apparently want to take advantage of Saddam Husayn's miscalculations to the utmost and to impose a tough line of action on the United Nations.

Washington rashly suggested that Iraqi land forces should be prohibited the entry of another zone in the south of Iraq. It turned out there is a flaw to this idea. The south is populated mostly by Shiite Muslims who are in opposition to the ruling Sunnite regime. The lack of military force in the area may actually lead to its separation, and it may fall under the influence of the Shiite Iran. For these considerations France turned down the plan and Britain assumed a neutral stand. The United States backtracked, considerably altering the initial demands. It now suggest only limiting the number of Iraqi troops and heavy arms in the zone.

There is a more realistic way of checking Baghdad. Russia agreed to support the U.N. Security Council's idea of long-term observation of the Iraqi military potential in accordance with the U.N. Security Council's Resolution 715 and to declare for fixing a test period. Moscow believes it should not last over six months. If

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within this period Baghdad confirms its wish for full-scale cooperation with the United Nations, the lifting of sanctions can be considered. This road makes it possible, painlessly and in the framework of U.N. decisions, to ease tensions in the Persian Gulf area and stabilise the situation there on a fair long-term basis.

Italian Prime Minister Continues Visit

Yeltsin, Berlusconi Sign Treaty

LD1410114294 Moscow ITAR-TASS in English 1111 GMT 14 Oct 94

[By ITAR-TASS correspondents Alexey Bukalov and Anna Melnikova]

[FBIS Transcribed Text] Moscow October 14 TASS—Russian President Boris Yeltsin and Italian Premier Silvio Berlusconi signed a treaty of friendship and cooperation between the Russian Federation and the Italian Republic in the Vladimir hall of the Kremlin here today..

The document covers the entire range of political, economic, and cultural relations between the two countries. It says that "being convinced that a war, both nuclear and conventional, as well as a threat to use force or its application should be ruled out as a means to settle international disputes, the sides hereby assume a commitment to resolve all possible disputes only by peaceful means".

The treaty devotes much attention to economic cooperation. One of its articles says that "the sides commit themselves to step up the implementation of the already concluded agreements in the sphere of economic and industrial cooperation. They will also continue their cooperation in the effort to switch the military industry to peaceful rails, including within the bilateral working team, set up for this purpose, and, if necessary, will consider other possiblities for enhancing the level of cooperation in this domain".

The treaty also includes an article saying that the Russian Federation and the Italian Republic reaffirm their "commitment to effectively cooperate in the struggle against organised crime, illegal trade in narcotics and psychothropic [as received] agents, against all forms of contraband".

Yeltsin Hails Treaty

LD1410133294 Moscow INTERFAX in English 1220 GMT 14 Oct 94

[FBIS Transcribed Text] The Russian-Italian Friendship and Cooperation Treaty is, in many ways, the most fundamental document Russia has with foreign countries, President Boris Yeltsin said at an official dinner Friday in honor of Italian Premier Silvio Berlusconi.

Yeltsin said that the treaty and other bilateral agreements were long-term documents making the bilateral ties stronger and more efficient.

He noted that Russian trade and economic cooperation with Italy developed on a larger scale than with any other European country. The Italian business community and the head of government go beyond good wishes and offer challenging and specific ideas and projects.

Yeltsin continued: "We in Russia remember that Italy once worked an economic miracle. I hope that drawing on Italy's experience and in cooperation with enterprising Italians Russia will also make a kind of economic breakthrough."

He said that the Russian and Italian positions on key international issues were very similar. This is amply demonstrated at the Naples meeting of the leading world nations, the president pointed out. Yeltsin praised the efforts of Berlusconi and the Italian Cabinet for the success of the meeting. He noted that the words 'the political eight' had been in the international vocabulary ever since.

The bilateral talks, Yeltsin believed, demonstrated the similarity of thinking of the two countries' leaders about the future of Europe. He said: "I believe that the Russian and Italian approaches to European construction could be expressed in a somewhat amended formulae which you, Mr. Berlusconi, know very well, 'Forza Europa' and 'Europe without barriers or division into the selected ones and all the rest'."

Yeltsin expressed confidence that by close interaction Russia and Italy could achieve much good for the European continent and the world community as well as for the Russian and Italian people.

Yeltsin Supports Italian Proposal on UNSC

LD1410135294 Moscow Radio Rossii Network in Russian 1200 GMT 14 Oct 94

[FBIS Translated Text] President Boris Yeltsin and Italian Prime Minister Silvio Berlusconi today signed a treaty of friendship and cooperation between the two countries. Following the signing of the document, Boris Yeltsin and Silvio Berlusconi replied to journalists' questions. Our correspondent, Marina Chernukha, has told us this.

As the Italian prime minister stated, at his meeting with Yeltsin, mutual understanding was reached on the most important issues facing the two sides. Russia supported Italy's proposal to broaden the UN Security Council [UNSC] by five-six semi-permanent members, which would take place on a rotational basis, and Italy, according to the Russian president, is very supportive of the possibility of a deferment of the payment of Russia's debts.

Yeltsin Plans To Protect Italian Investments

LD1410154294 Moscow Mayak Radio Network in Russian 1415 GMT 14 Oct 94

[FBIS Transcribed Text] A joint news conference of the Russian President Boris Yeltsin and Italian Prime Minister Silvio Berlusconi was held today. Mayak correspondent Yuliy Semenov was there. Here is what he asked the Russian president:

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[Begin recording] [Semenov] Did you discuss with Mr. Berlusconi the problem of protecting Italian investments in the Russian economy?

[Yeltsin] We certainly discussed this question. I should say that our trade relations with the Italian entrepreneurs are most dynamic of those in other western countries. The Italians have proved to Russia that they can supply good technologies and good quality products to Russia. Unfortunately the insufficient legislative base in our country can hamper the future development [of cooperation]—which could be very rapid, considering the possibilities and [word indistinct] in Russia—and we have to solve this problem of providing comprehensive protection for investments. And I should say in conclusion that we have set up this insurance company. Initially, we had difficulties because we lacked experience in this field. But now this insurance company will protect foreign investments against political risks. As for the economic risks—no one in the world can protect against it. [end recording]

Businessmen Seek Closer Ties

LD1410171194 Moscow INTERFAX in English 1449 GMT 14 Oct 94

[FBIS Transcribed Text] More investment and closer commercial ties between Russia and Italy were favored by businessmen of these two countries at a seminar held at the Russian Chamber of Commerce Friday as part of the Italian Premier Silvio Berlusconi's visit to Russia.

On behalf of Italian business circles, Gianfranco Imperatori, President of Mediocredito Cehtrale Bank, a major creditor of Russia, voiced the firm intention to take an active part in the second phase of the privatization in Russia, "when foreign companies will be able to walk out on the stage as performers."

In the opinion of Victor Ukmar, President of the Italian-Russian Chamber of Commerce, more investment will help to invigorate the hitherto sluggish bilateral commercial ties. At the same time, he reiterated some anxiety voiced by Italian businessmen over the lack of incentive to invest and unreliable credit guarantees in Russia.

One big obstacle to bilateral commerce is Russia's huge debt to Italy, which, by various estimates, ranges from $6.6 billion to $12.2 billion. Such a large difference in estimates is blamed on a difference in Russian and Italian methods of calculating state and commercial debts.

Yeltsin Makes Speech at Dinner

LD1410191994 Moscow ITAR-TASS World Service in Russian 1640 GMT 14 Oct 94

[FBIS Translated Text] Moscow, 14 Oct (ITAR-TASS)—Boris Yeltsin, president of the Russian Federation, today described the visit to Russia of Silvio Berlusconi, chairman of the Italian Council of Ministers, as an "out-of-the-ordinary event." He made a speech at the Kremlin dinner in honor of the Italian head of government.

According to the Russian leader, the treaty on friendship and cooperation which was signed today is one of the most fundamental political documents concluded by Russia with a foreign state. Today's Russian-Italian agreements are made with long-term prospects in mind. They enable us to make our interstate links closer and more effective, the president said.

I am convinced that there is every possible prerequisite for this, the Russian head of state said. Italy has shown admirable constancy in maintaining its status of Europe's leader in trade and economic cooperation with our country, he added.

Boris Yeltsin spoke in favor of a further boost in the two countries' cooperation in international affairs, stressing that the positions of Russia and Italy on the key issues of foreign policy are close in many aspects.

The talks that have taken place in Moscow have shown that our vision of Europe's future is particularly similar, the Russian president continued. "I think that the approach of Russia and Italy to the development of Europe can be expressed in a formula well-known to you, Signor Berlusconi, with only a minor alteration," said B. Yeltsin. "The phrase I mean is "Go it, Europe"—"Forza Europa," Europe without barriers or division into the select few and all the rest. In am confident that Russia and Italy, in close cooperation, will be able to do a lot both for their own peoples and for the benefit of our continent and the entire world community."

Berlusconi Expresses Support for Reforms

LD1410200394 Moscow ITAR-TASS in English 1931 GMT 14 Oct 94

[FBIS Transcribed Text] Moscow October 14 TASS—Italian Prime Minister Silvio Berlusconi told an official dinner in his honor in Moscow today he is grateful to the Russian authorities for warm reception.

In his words, Italy will consistently support the great project of reforms and progress Russia is implementing at the current period of its history.

Italy is sincerely satisfied with the important political transformations and economic liberalization held by the Russian president, the government and the people of Russia, said the premier.

He stressed that Italy clearly realizes the great role Russia played in the crucial changes on the European and international scenes. Berlusconi noted the new atmosphere of accord on the international European scene and expressed satisfaction with the perfect development of bilateral relations boosted by the Italian visit of Boris Yeltsin in December 1991 and frequent contacts between the Russian authorities and the Italian Government.

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The Italian premier conveyed to Boris Yeltsin an invitation to visit Italy made on behalf of the Italian president.

Commentary on Implications of Baku Oil Deal

LD1510214194 Moscow Radio Moscow World Service in English 1810 GMT 15 Oct 94

[Commentary by political observer Valentin Zorin]

[FBIS Transcribed Text] Since the beginning of this century some people in the United States say that the politics there smells of oil. In all fairness, the most recent events can only prove this since American oil companies have tapped a new political problem for the United States and Russia. In a recent Washington meeting between the U.S. and Russian presidents a topic, which was admittedly called in the media an oil deal of the century, loomed quite large. To be more precise, this is a large-scale deal to recover rich oil deposits under the Caspian seabed, which Azerbaijan and some Western oil companies, such as American AMOCO and Pennzoil have struck.

From the very outset I should say, writes Valentin Zorin, that I am going to express my own point of view, even though it may possibly reflect an attitude taken by some influential political quarters, including the Russian Foreign Ministry. I doubt the contract to recover oil from under the Caspian seabed could have been well-founded politically or legally without a previous notice or to due consultation with the Russian Government. But it isn't a sea shelf of the world ocean, but rather inland waters, which the Caspian Sea surely is, that are at issue. And if one is to regard Russia as still a Caspian state, then it is quite clear that any efforts to strike a large-scale deal in this area, without previous consultation with Moscow, will constitute a gross violation of the international law. On these grounds, therefore, any unilateral action in relation to the Caspian Sea will be illegal and won't be recognized by the Russian Federation, so reads an official communique which the Russian delegation circulated as a U.N. General Assembly document only a few days ago.

However, during his recent visit with President Heydar Aliyev of Azerbaijan, the U.S. President said he would fully support the contract deal. Some of the American mass media have hastened to pour oil into troubled waters. Take the Washington POST, for example. This week it published a frontpage article entitled "Who will stop Russians?". It reads the Clinton administration should decide on whether to redefine Azerbaijan's new role if the Kremlin so wills or support an independent stance this republic has taken. The article concludes with a categoric statement that there should be an end to Russian expansion.

Our listeners can ask in this respect two questions at least. Firstly, why should the Clinton administration try to resolve the destiny of Azerbaijan and for what? And, secondly, under what logic one can claim Moscow's steps to protect its vital interests not in a 1,000-mile zone from its borders, as the United States does, but rather in the nearest proximity to its frontiers, to be no less than the Russian expansion. If the pronouncements made in the Washington POST are any worthy of its editors, the circumstances under which President Clinton thought it feasible to intervene into the conflict can't but arouse concern. Such interference brings another point, for it substitutes business with a state policy, which calls not for any hastened statements but rather a good and sound analysis of the whole situation to avoid unwarranted complications in Russian-U.S. bilateral links.

Therefore, writes Valentin Zorin in conclusion, I would rather accept President Yeltsin's motion, made during his Washington summit, suggesting competent experts should look into this issue.

'Progress' Noted After Caspian Forum

MM1410132094 Moscow KRASNAYA ZVEZDA in Russian 14 Oct 94 p 3

[Article by Aleksandr Pelts and Anatoliy Ladin: "What Color Will the Caspian Be? Obvious Progress Made in Defining Status of Caspian Sea"]

[FBIS Translated Text] Russia, Azerbaijan, Kazakhstan, Turkmenia [Turkmenistan], Iran—so many states are now pursuing their own political, economic, and environmental interests in the Caspian region. Following the breakup of the USSR and the formation on its territory of new sovereign states the problem of establishing a new legal base for the use of its wealth has become obvious.

Things now seem to have gotten moving. Senior representatives of the Caspian states' foreign policy departments have met in Moscow and discussed the prospects for signing a treaty on regional cooperation in the Caspian Sea.

Russian Foreign Minister Andrey Kozyrev opened the meeting and stressed that the Caspian states are now on the right road to providing a definite legal base in these matters.

A very great deal depends on these problems being resolved in a timely manner, including not only the sensible use of the sea's wealth of natural resources, but also the preservation of unique cultures, the survival of entire peoples, states' autonomy, and, particularly importantly, stability in the region.

It should be stressed that a special conference scheduled for next April will be devoted to the problem of the Caspian. It will be held in the Iranian city of Ramsar. In order to speed up the negotiating process and promptly resolve common problems it is advisable to set up an interparliamentary assembly of the Caspian countries. That view was expressed by Federation Council Deputy Chairman Ramazan Abdulatipov.

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There is another aspect to resolving the problem of the status of the Caspian Sea speedily—the military aspect. As you know, the Kazakhstan parliament ratified 6 October a treaty between the Russian Federation and the Republic of Kazakhstan on military cooperation. Article 11 of this document proclaims the two sides' intention of subsequently concluding an agreement on the use of forces and resources of the Russian and Kazakhstan Navies in the waters of the Caspian Sea to jointly ensure the sides' security.

Concerning this issue, Major General Alibek Kasymov, Kazakhstan first deputy defense minister and chief of the Main Staff, once again emphasized that the main problem is the status of the Caspian. How many "masters" will it have? Will it be an open sea or not? On what legal norms will the intended agreement be based?

Obviously, the meeting of representatives of the Caspian countries and the upcoming conference will remove these and other issues that have thus far prevented mutually beneficial and civilized cooperation from being established in the Caspian basin. It is no secret that procrastination here may have highly unpredictable consequences, as happened, for instance, with the "project of the century," which Azerbaijan concluded with a number of foreign oil companies.

Moscow-Kiev Talks on Fleet Produce Little Result

LD1410170294 Moscow INTERFAX in English 1449 GMT 14 Oct 94

[FBIS Transcribed Text] The talks between the state delegations of Russia and Ukraine on the issue of sharing the Black Sea Fleet, taking place late last week in Moscow, produced practically no result, Interfax was told on Friday by well-informed sources close to the negotiators.

During the consultations the Russian and Ukrainian sides did not reach accord concerning the division of the Black Sea Fleet, the base for the Russian part, or the size of compensation for that part of the Ukrainian Fleet which is to be handed over to Russia.

Before the official dinner, devoted to the end of the recent round of negotiations, Russian and Ukrainian negotiators, Yuriy Dubinin and Yevgeniy Marchuk, refused to comment for Interfax on the results of the Moscow meeting.

Dubinin did not deny the information about the futility of the negotiations. He said that there will be no comment.

As is known, presidents of Russia and Ukraine, Boris Yeltsin and Leonid Kuchma, agreed six months ago to divide the Black Sea Fleet 50/50. Moscow is to pay compensation for that part of the fleet which is to be handed over to Russia.

Shokin Hits CIS Failure To Clear Debts

MM1710083794 Moscow RABOCHAYA TRIBUNA in Russian 14 Oct 94 p 3

[Unattributed report: "Don't You Want To Pay Your Debts?"]

[FBIS Translated Text] The CIS countries owe Russia approximately 5 trillion rubles [R] relating to centralized credits that have been granted. At the same time their arrears relating to Russian oil and gas deliveries are now of the order of R4 trillion. These figures have been cited by Aleksandr Shokhin, deputy chairman of the Russian Federation Government and minister of economics.

He noted that the CIS states "show no desire" to clear their debts to Russia. According to Aleksandr Shokhin, the attempt to convert debts into property has also "entered an impasse," since the CIS countries have rejected a proposal to turn part of the debts into shares in their own oil-refining enterprises, pipe plants, and underground storehouses.

Dubinin Cited on Russia as Debtor, CIS Creditor

MM1710084994 Moscow RABOCHAYA TRIBUNA in Russian 14 Oct 94 p 3

[Unattributed report: "Please Draw Up a Promissory Note"]

[FBIS Translated Text] Russia will take an active part in the formulation of international decisions at various levels on questions of aid for CIS states, particularly Ukraine, Sergey Dubinin, Russian Federation acting minister of finance, told a BIZNES-TASS correspondent in an exclusive interview. This condition was specially stipulated within the framework of the talks on settling the problem of Russia's foreign debts, held at the Madrid meeting of the world's leading financiers, he emphasized.

According to Sergey Dubinin, this intention reflects Russia's principled stand, which proceeds from its position as the CIS countries' chief creditor. In the Russian side's opinion, their failure to pay their debt obligations to Russia must be appropriately reflected in the restructuring of its payments toward clearing the USSR's debts. The formulation of decisions jointly with international creditors presupposes Russia's participation in their implementation, although at the same time it does not claim any part of the credits allocated to the CIS countries. In Sergey Dubinin's opinion, in this case the advantage to Russia lies chiefly in easing the lot of the Russian fuel and energy complex by means of paying arrears out of external sources of finance.

Foreign Ministry Condemns Murder of Israeli Soldier

LD1510215794 Moscow Radio Rossii Network in Russian 2100 GMT 15 Oct 94

[FBIS Translated Text] The Russian Foreign Ministry has condemned the murder of an Israeli soldier by the

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Islamic group Hamas. He was shot during an unsuccessful operation to free him. At the same time, the Foreign Ministry statement expresses hope that the Israeli leadership and the PLO will find a way out of the situation which has arisen, and will not allow this tragic incident to cancel out the successes of the Palestinian-Israeli settlement.

Moscow 'Regrets' UN Failure To Condemn Bosnia Killings

LD1410215694 Moscow ITAR-TASS World Service in Russian 1722 GMT 14 Oct 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Valeriy Sevryukov]

[FBIS Translated Text] Moscow, 14 Oct—The Russian Foreign Ministry regrets that after lengthy debates the UN Security Council [UNSC] was unable to agree a draft statement by the Security Council chairman in connection with the events of 6 October on Mount Igman near Sarajevo, where the mutilated bodies of 16 Bosnian Army soldiers and four nurses were discovered. Official Russian Foreign Ministry Spokesman Mikhail Demurin said this today in conversation with the ITAR-TASS correspondents.

The Security Council, he said, was effectively paralyzed by attempts by a number of delegations to impose "double standards," and thereby take the heat of criticism off one of the sides, in the case at issue the Bosnian Muslims. The UN forces in Bosnia have actually managed to establish what exactly happened and who exactly bears the responsibility for the people's deaths.

"During the debate to agree the text of the relevant statement by the Security Council chairman," Demurin said, "the Russian delegation proceeded from the fact that the specific culprits should be held accountable for the deed, as has repeatedly been the case recently in regard to the Bosnian Serbs, whose actions were appraised by the Council in Resolution 941 and the UN Security Council statement of 30 September. The text of the statement should therefore, in our view, be unambiguous in its condemnation of the Bosnian Government side for the action, which can only result in heightening the ferocity of the Bosnian conflict."

However, the way some Security Council members approach this matter rests upon a different logic, one we do not fully understand, the Foreign Ministry spokesman said. As a result, the responsibility of the real culprits of this deed was "drowned" in numerous amendments wholly unrelated to the case at issue. The Russian delegation was therefore, unable to agree to adopt the statement by the Security Council chairman, which would essentially have laid equal blame upon both sides.

Spokesman Refutes Japanese Reports on Kuril Islanders

OW1510041494 Moscow Radio Moscow in Japanese 1100 GMT 14 Oct 94

[FBIS Translated Text] Some Japanese newspapers have been running reports alleging that about 10,000 residents of the southern Kurils off Hokkaido want to move to Sakhalin or the continent permanently. These reports have been found to be groundless.

This was made clear by Russian Foreign Ministry Spokesman Demurin in a briefing yesterday.

In the briefing, Spokesman Demurin said the government's disaster relief and reconstruction committee is taking all necessary measures to relieve the residents in the disaster-stricken areas, as well as reconstruct the areas.

Spokesman Demurin emphatically noted that the Russian Government has not formally asked the Japanese Government for assistance. He added that the Russian Government will accept with thanks should foreign governments, private organizations, or individuals want to provide humanitarian aid.

Duma Calls For End to 'Unjust' U.S. Embargo on Cuba

LD1410172494 Moscow ITAR-TASS World Service in Russian 1617 GMT 14 Oct 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 14 Oct—The State Duma adopted a statement condemning the USA's economic, trade, and financial embargo against Cuba today. The statement contains an appeal from Russian deputies to the U.S. Congress and Government, with a request to "put an end to this unjust action."

The U.S. embargo on Cuba, which has been maintained for more than 30 years, inflicts grave damage on the Cuban economy and ecology, and on the health and well-being of the Cuban people, the Duma statement says. The document points out that the USA, continuing to reinforce the embargo against Cuba and seeking to internationalize it, adopted the "Torricelli Bill", thereby demonstrating its intention to extend its internal jurisdiction beyond the bounds of its own territory, which is in contravention of international law.

Deputies are of the view that the embargo against Cuba is a rudiment of the "Cold" War. In the document, the Duma deputies call on the U.S. Congress to annul the "Torricelli Bill" and not permit such legislative acts to be adopted in the future.

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The statement also contains an appeal to the Russian Federation Government and to representatives of state and private sectors of the Russian economy to develop economic cooperation with Cuba on a mutually-advantageous footing.

In addition, the Russian members of parliament call on other states and their parliaments to adopt measures at their disposal to annul laws or juridical acts that impede the normal development of trade and cooperation with Cuba.

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Political Issues

Rybkin Backs Yeltsin Proposal on Reform

LD1410191894 Moscow INTERFAX in English 1705 GMT 14 Oct 94

[FBIS Transcribed Text] The Russian State Duma Speaker Ivan Rybkin "supports and shares the opinion of President Boris Yeltsin on the necessity for toughening the policy of reforms."

Rybkin said in an exclusive interview with Interfax today that the policy of reforms requires a precise and laconic program of action for the government for 1995-1997 and a federal budget for 1995 worked out in accordance with the needs of this program.

Rybkin said he believed that the branches of power must show more responsibility for implementing the budget. He added that the program must also provide for social protection for the not so well- off sections of the population.

Rybkin said that Russia needed a firm, decisive and highly- professional government submitting to the national interests. At the same time, Rybkin did not rule out that the composition of the government could be renewed by including new people and correcting its policy.

When asked about the possibility of voting no confidence in the government next Friday (the State Duma planned to consider the issue of voting no confidence in the government on October 21), Rybkin said if this happened the government might not immediately resign. He repeated that in accordance with the Constitution the president had the right to disagree with the decision of the State Duma. If within three months the State Duma votes no confidence in the government once again the president must either announce a resignation of the government or a dismissal of the State Duma, Rybkin added.

Commenting on the situation on the Moscow Inter-Bank Currency Exchange on October 11, Rybkin said that despite a very serious situation within the economy there were no reasons for such a fall in the ruble. Rybkin said he believed that Chairperson of the Central Bank of Russia Viktor Gerashchenko and former Finance Minister Sergey Dubinin had been careless and lost control over the situation on the exchange. Rybkin said he believed that such an experienced person as Gerashchenko was unlikely to be waiting for the State Duma to dismiss him but would assess the situation and make the right decision.

Yeltsin Postpones Meeting on Ruble Crash

LD1510143294 Moscow INTERFAX in English 1358 GMT 15 Oct 94

[FBIS Transcribed Text] A session of the Russian Security Council scheduled for 11:00 Saturday did not take place and will hardly be held on October 15. The session was to hear an account by a state commission of inquiry, investigating the causes of the crash of the ruble at the Moscow Interbank Currency Exchange on October 11.

As the presidential press-service has reported to Interfax, Boris Yeltsin found it necessary to "study the issue deeper." For this reason, it was decided to put off the Security Council's meeting for a later unspecified date.

As Interfax has learned, the investigatory commission Friday failed to reach a single conclusion about concrete culprits of the bad fall of the ruble on "Black Tuesday."

The commission is led by the Russian Security Council's Secretary Oleg Lobov, assisted by the Federal Counter-intelligence Service chief Sergey Stepashin.

Meanwhile, despite expectations, the commission of inquiry had not completed its work by October 15.

As Interfax has learned from a well-placed source in the Federation Council, the commission is to meet Saturday afternoon.

The results of investigation are expected to be made public next week.

Results of Inquiry To Be Announced

LD1510143594 Moscow INTERFAX in English 1358 GMT 15 Oct 94

[FBIS Transcribed Text] After a four-day debate, the state commission for looking into the reasons for the ruble's sharp fall against the U.S. dollar last Tuesday headed by Security Council Chairman Oleg Lobov submitted its preliminary conclusions in five pages for consideration by Russian President Boris Yeltsin Saturday.

A reliable source told Interfax that the commission "having worked over mountains of documents" encountered many difficulties in their generalizing and formulating conclusions. Naturally, President Yeltsin mus be given some time to examine the commission's conclusions in details. The source reiterated that these conclusions were to be seen only as preliminary.

As for the date for the next Security Council meeting, it will be fixed by the president as soon as he decides that there are "complete clarity and comprehensive answers to all possible questions" in the case investigated by the commission, the source said.

According to the source, the Security Council meeting where the commission's conclusions will be made public (supposedly next week) will be followed by a news conference. Lobov and other high-ranking officials responsible for Russia's finances will speak before the media, the source said.

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Commission Embargoes Probe Information

MM1410134794 Moscow IZVESTIYA in Russian 14 Oct 94 p 2

[Report by Valeriy Yakov and INTERFAX report under the general heading: "Federal Counterintelligence Service Seeking Economic Saboteurs but Making No Comment"]

[FBIS Translated Text] The report that S. Stepashin, director of the Federal Counterintelligence Service [FCS], has been included in the special commission investigating the causes of the collapse of the ruble has naturally aroused particular interest among journalists and citizens, who are fond not just of the dollar but also of detective stories. However, the citizens simply expect the FCS to provide gripping details whereas the journalists are trying to ferret those details out. Alas.

The counterintelligence service press service reacted politely but cautiously to IZVESTIYA's telephone call and did not divulge any of the investigation's secrets. There was a simple reason for this particular degree of silence—the commission created by the president has decided to put an embargo on all information on the progress of the investigation. When concrete results have been obtained perhaps some of the details will be shared with us. If there are any results, of course.

Meanwhile the counterintelligence service has given an assurance that eminent professionals in the field of economic crime from its department have been included in the commission. It is not yet clear whether these professionals knew about the imminent crash or whether they failed to see it coming.

As INTERFAX has reported, the catastrophic collapse in the exchange rate of the ruble in the currency market is "not so much a consequence of any economic ailments as a result of a clearly planned sociopolitical action."

That is the view of Valeryan Viktorov, deputy chairman of the Federation Council, who represents the upper chamber of the Russian parliament on the state commission headed by Security Council Secretary Oleg Lobov which is investigating the causes of the ruble's crash.

At a meeting with journalists on Thursday V. Viktorov said that the commission knows which commercial banks caused panic in the foreign currency exchange and also knows that these banks are "backed by certain political forces."

Official Presents Investigation Results

LD1510102294 Moscow ITAR-TASS World Service in Russian 0911 GMT 15 Oct 94

[By ITAR-TASS correspondent Anna Melnikova]

[FBIS Translated Text] Moscow, 15 Oct—Oleg Lobov, secretary of the Russian Security Council and head of the state commission for the investigation into the causes of the sharp destabilization of the financial market, today presented the results of the commission's work—the ITAR-TASS correspondent was told this at the Russian Security Council secretariat.

Regarding the Security Council sitting, which was initially planned for today—as was explained at the secretariat—this will depend on what President Yeltsin—the chairman of the Russian Security Council—decides.

For the time being it has not been possible to find out in what form the public will learn of the results of the commission's work.

Chernomyrdin Return to Moscow Announced

LD1710082994 Moscow ITAR-TASS in English 0634 GMT 17 Oct 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow October 3 [date as received] TASS— Russian Prime Minister Viktor Chernomyrdin returns on Monday from Sochi, a resort city on the Black Sea, to Moscow from his annual leave. In the afternoon, the premier will welcome at the Vnukovo-2 Airport British Queen Elizabeth II who comes to Russia on an official visit.

Chernomyrdin interrupted his present leave for the third time over the past few days, which he was to complete this weekend. The premier interrupted his rest for the first time by making an official visit to Kiev to celebrate the 50th anniversary of Ukraine's liberation from the Nazis.

Chernomyrdin flew urgently to Moscow the second time after the "Black Tuesday" events on the currency exchange when the rouble collapse put the country on the brink of a new inflation spiral.

The premier is more likely to start active work on Monday without ending his leave. The cabinet is to submit this week two key documents of the government's economic policy for the consideration of the Russian parliament lower house: a package of tax bills and a draft federal budget for 1995.

While documents dealing with taxation have been approved by the cabinet and can be submitted to the lower house on Monday, the draft budget is to be discussed by the government this Thursday.

Besides, a regular meeting of the council of CIS heads of state is scheduled to be held in Moscow this weekend (October 21). Premiers of the Commonwealth of Independent States will attend this meeting.

Stays in Sochi as Cabinet Meets

LD1710084194 Moscow ITAR-TASS in English 0810 GMT 17 Oct 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

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[FBIS Transcribed Text] Moscow October 3 [date as received] TASS—Britain's Queen Elizabeth II who starts her official visit to Russia on Monday, will be welcomed by First Vice-Premier Oleg Soskovets at the government Vnukovo-2 Airport. Premier Viktor Chernomyrdin will continue his annual leave in Sochi, ITAR-TASS learnt at the Russian Government press service today.

The programme of the British Queen's visit initially envisaged that the welcoming party at the airport would be headed by the Russian prime minister.

A press service representative said that a closed meeting of the government presidium started today at 10:00. He refused to say what questions are now being discussed. However, it is more likely that cabinet members are examining a package of bills providing for amendments to the country's taxation system.

The cabinet began to consider this package last Thursday at its regular meeting. Despite the protracted discussion, it was decided to submit the package for the consideration of the Russian parliament lower house no later than this Monday.

Fallout from Gerashchenko Resignation Viewed

MK1510103094 Moscow KOMMERSANT-DAILY in Russian 15 Oct 94 pp 1, 3

[Report by Viktor Melnikov, Sergey Viktorov: "Gerashchenko's Resignation. Gerashchenko Relieves Himself of the Duties of Central Bank Chairman"]

[FBIS Translated Text] A few days in the world of finance are tantamount to years in politics. Viktor Gerashchenko resisted presidential pressure two days longer than the dollar. The resignation of the Central Bank chairman has confirmed the suspicion that has repeatedly been voiced by both Russian and Western experts that in contemporary Russia, economic liberalism so far exists only in theory. The trends toward politicizing any economic phenomenon and personifying state interests merge and create formidable incentives to increase administrative control over the economy. This gives rise to politicians' orders that the exchange rate be changed immediately and retail prices be mandatorily lowered.

It was Moscow Mayor Yuriy Luzhkov who ordered that retail prices be brought back to the level of 10 October, promising to investigate the reasons for a steep rise of prices in the city's stores. One can also predict a certain surge of administrative regulation in other regions whose chiefs are keenly sensitive to a change of sentiments in the Kremlin. Accusations leveled at the yet unidentified currency exchange speculators and heavyweight bankers who have put the country's economic and political security in jeopardy provide a convenient pretext to intervene in the operation of market mechanisms in Russia (whose scale should not be overestimated, however) for the sake of "state interests" which everyone interprets in his own way.

Given that, Gerashchenko's resignation was only a fragment of a larger picture of economic policy in a country where basically trivial economic phenomena tend to draw an entirely inadequate reaction both from the state apparatus and the mass consciousness. Neither a massive creation of credits nor the threatening drop in budget revenues could bring down the Central Bank chairman or the Finance Ministry chief. Personnel decisions were made only when the consequences of these trends started manifesting themselves on the currency market, which has suddenly acquired paramount importance in the eyes of the head of state.

Although the resignation of the Central Bank chief so far remains unilateral (the State Duma has not yet decided in which legal system of coordinates this matter should be considered or whether it should be considered at all), what holds the greatest interest is the possibility of a profound change in the Central Bank's policy and the authorities in general following Viktor Gerashchenko's departure. Here one should bear in mind that in Russia the Central Bank has an infinitely greater influence than in most other countries. In conditions of inefficient production its credit and currency policies effectively mold the entire economic policy of the state. For this reason a radical change in the Central Bank's line—for instance, by pointedly forswearing any compromises with the government and tightening its stance on credit expansion; or, conversely, indulging in an unrestrained creation of credits—are bound to bring about drastic economic upheavals. Hardly any Central Bank chairman will be particularly interested in such a change, though. Gerashchenko's possible successors will have to pursue the old, largely compromise-based line, being aware, as he was, of their control over the economy (events that preceded Gerashchenko s resignation did nothing to disprove this notion, but rather confirmed it).

For the time being the question of a fundamental shift in the president's policy remains open, fueled by rumors about the possible appearance of opposition members on the political Olympus with the aim of broadening the government's social base. One can hardly imagine that the current Central Bank chief had to be replaced because his personality was not in line with plans for increasing credit support for domestic industry (which is one of the main demands of the moderate opposition). A more plausible explanation for the resignation of the country's chief banker appears to be what the presidential entourage saw as his excessive independence—the Central Bank's actions to lower the ruble's exchange rate were not agreed upon with Boris Yeltsin in advance or explained to him. In this case, if a member of the Gerashchenko team (Dmitriy Tulin, Central Bank deputy chief has been tipped as the best possible candidate) or a representative of the political right is called upon to become acting bank chairman, this suggestion would be confirmed. It was also indirectly confirmed by a report, which appeared yesterday evening but could not yet be verified, that the post of Central Bank chief was offered to Yegor Gaydar, leader of the "Russia's

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Choice" parliamentary faction. KOMMERSANT-DAILY will report as early as 18 October whether this is true, and if it is, whether Yegor Gaydar agrees to call into question his immediate political future for the sake of civil service.

[Article includes following boxed passage]

Commentary by Political Department

Although the news of Viktor Gerashchenko's resignation was not a matter of discussion at the plenary meeting, it gave rise to numerous legal questions by deputies. For instance, is the Central Bank chief is entitled to quit his post, and is the president entitled to accept this resignation without the lower chamber's consent? Most legislators who had a heated debate on this question in the lobby think that Gerashchenko is not a galley slave after all, and since Yeltsin himself recalled his request about his dismissal, they should let the chief banker go free. All the more so because in accordance with their rules of procedure the deputies may decide on this matter only at the recommendation of the head of state. A minority continues to insist on adherence to the Constitution: the State Duma must approve the resignation. Their opponents reasonably counter that since the parliament did not appoint Gerashchenko, it should not dismiss him either. Meanwhile, the Constitution does not say anything about a voluntary resignation of a Central Bank chairman.

As for possible candidates, there are quite clear views on the matter. Leaders of democratic factions mention Yegor Gaydar and Boris Fedorov as Gerashchenko's possible successors. But they are also unanimous in saying that neither of them stands a chance of winning a majority at the State Duma, so they will have to put up with the status of "acting" or "temporarily acting" chief (Grigoriy Yavlinskiy, however, suggested that the leader of the "Decembrists" is a more passable figure than the "Russia's Choice" head). But first, there is already an excess of officials with similar status in the current government authorities; and, second, these politicians are unlikely to accept so shaky a position in the cabinet. However, unlike Gaydar, who has kept mum, Fedorov, arriving from London at the State Duma just yesterday evening, hinted ambiguously that although no one has really invited him to head the Central Bank yet, he is not going to refuse. Yet all this is just guesswork: when a Central Bank chief is to be chosen a lot will depend on Viktor Chernomyrdin, who had put considerable effort some time ago into removing Boris Fedorov from the government.

Left-wing factions, for their part, by some accounts intend former Soviet premier Valentin Pavlov for Gerashchenko's post. By virtue of the lower chamber's socio-partisan lineup, the former State of Emergency Committee member has greater chances to be confirmed than Gaydar and Fedorov put together. It is hard to imagine, however, that his candidacy could be proposed by the president, who will not forget August 1991 till doomsday. This could result in a gridlock that can be broken only by one single means, some faction leaders think: by appointing to the post of Central Bank chief a professional from among Gerashchenko's current deputies, who can curry State Duma members' favor simply because they are little known in political circles. In that regard, the name of Dmitriy Tulin was repeatedly mentioned in the lobby yesterday; although he was recently appointed Russia's representative at the IMF, he still remains Central Bank deputy chairman.

Ruble Crash Thought Part of Plan

MK1410111394 Moscow SEGODNYA in Russian 14 Oct 94 p 1

[Report by Yelena Kolokoltseva, Dmitriy Volkov under the "Banker" rubric: "Central Bank Gripes About Depleted Currency Reserves. Economists Suspect Viktor Gerashchenko of Selling Cheap Rubles on Exchange"]

[FBIS Translated Text] The parliament lower chamber budget committee decided in its closed sitting to put off the question on whether Viktor Gerashchenko can perform his duties in the position of Central Bank chairman until the government commission probing into the "causes of the sharp destabilization of the financial market" winds up its activities. It is not ruled out, however, that in addition to reverence for the supreme power, the deputies were reassured by the news of a 20-percent drop in the dollar in yesterday's trading at the Moscow Interbank Currency Exchange—or on the contrary, they became intrigued by the information, also received yesterday, about a sharp depletion of the hard currency reserves of the Central Bank whose chiefs told the deputies that reserves fell to $1.8 billion from $2.45 billion as of 1 October, and $4.9 billion as of 1 August. The Central Bank's reserves position, however, is really unclear. Economists Andrey Illarionov and Mikhail Dmitriyev maintain that the Central Bank's hard currency funds were valued at 7 to 8 billion in September, and are supposed to be around 4 billion today.

Mr. Dmitriyev and Mr. Illarionov stated yesterday that the ruble's collapse was caused by the desire of the government and the Central Bank chairman to raise the dollar rate to 4,000 rubles. In their estimate, maintaining such a correlation between the currencies would have enabled the government and the Central Bank to carry out financial stabilization without structural reform. Mr. Gerashchenko, according to Mr. Illarionov, told the honest truth when claiming before the next trading session that he was on top of the situation. In other words, holding inflation down to a relatively low level, the country's leaders could have continued indirect and direct subsidies to the money-losing manufacturing industry and agriculture from the money of private businesses, the population, and foreign companies that have already invested capital in Russia. However, Mr. Illarionov feels, the president "broke up the game,"

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threatening Viktor Gerashchenko with dismissal. The result is that having tried to finance the budget pledges through hard currency speculation, the government and the Central Bank have to reconcile themselves, after the dollar rate fell, to a faster inflation rate and to carry over the budget debts to the next year.

There is no knowing if the 11 October situation was really a planned operation with the only drawback being that they forgot to explain its implications to the president. The conclusion that a cheap and super-cheap ruble is in the interests of those who do not want any structural adjustment, however, appears quite justified. They are of course ready to accept from the state a higher-valued ruble since they are not in a special need of anti-inflation policy. Central Bank critics claim that it was the Central Bank that channeled to the currency market the rubles that were used 11 October to buy dollars. It is not so important, however, whether the former special banks used precisely their money or the money of their client-enterprises. The important thing is that they are now called commercial banks, and Mr. Lobov's secret commission is probably not going to reveal the names of the culprit banks in the interests of investigation—and in this case, the population can only guess at the meaning of "commercial."

In the meantime, the Central Bank chairman assured journalists that he has "no intention to hand in his resignation, and the legitimacy of his actions is being investigated by the commission." That the country's chief banker is confident in his strength is only natural. Today, only "Russia's Choice" and the "Decembrists" in the State Duma are determined to vote for Viktor Gerashchenko's resignation. A vote of no-confidence in the government is also hardly probable because the government upholds the interests of the socialist industry at the cost of firing its own ministers.

Government Allegedly Made Trillions of Rubles

MK1510084194 Moscow NEZAVISIMAYA GAZETA in Russian 15 Oct 94 p 1

[Report by Ivan Storozhev, Vladislav Kuzmichev under the "Finance" rubric: "Viktor Gerashchenko's Sensational Decision. Central Bank Chief Resigns, Thereby Greatly Weakening Viktor Chernomyrdin's Position"]

[FBIS Translated Excerpt] [Passage omitted] Viktor Gerashchenko's departure, which appears to have been forced on him, is seriously weakening Viktor Chernomyrdin's position. At best the premier will temporarily become entirely dependent on the president. In the worst-case scenario he would simply be a spent figure. Admittedly, the radical democrats and other groups that are not fond of Gerashchenko and Chernomyrdin have skillfully exploited the government's forced game at the currency exchange. Boris Fedorov, who urgently returned to Moscow, said that he was ready to take on the post of Central Bank chief, although it was not officially offered to him. One way or another, one political clan has outplayed the other, but as a result the voters had a drastic price hike. The political intrigue of the October financial scandal is not over, however—we are in for further realignments of forces.

A source from the presidential administration told NEZAVISIMAYA GAZETA that by selling dollars from the currency reserve at the 11 October exchange rate ("Black Tuesday"), the government probably made as much as 8 to 8.5 trillion rubles.

"This enabled them," the source said to NEZAVISIMAYA GAZETA, "to solve all current problems related to debts for delayed wages and payments to economic sectors." Curiously, as early as 12 October a report emerged in the press that debts of state television channels to the Communications Ministry would be repaid within the next two weeks.

Yesterday, the Security Council Emergency Commission, tasked with "investigating reasons for the abrupt destabilization of the financial market," continued its work. The results of the investigation are scheduled to be made public today at a Security Council meeting, but this does not mean that the public will learn the truth. [passage omitted]

Aide Denies Rumor Yeltsin Summoned Fedorov

MK1410120094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 14 Oct 94 p 1

[Unattributed report: "'Canards' Are Flying, but Boris Fedorov Is Still in London"]

[FBIS Translated Text] Reports by some mass media that the president has asked Boris Fedorov urgently to cut short his business trip to London and arrive in Moscow to be received by him is nothing but a "canard." This was said to your MOSKOVSKIY KOMSOMOLETS correspondent by Fedorov's aide, Aleksey Morozov. In his view, someone is deliberately spreading such rumors. What is unclear is for what purpose.

When asked by MOSKOVSKIY KOMSOMOLETS whether Boris Fedorov will accept the post of Central Bank chief, if it is offered to him, Aleksey Morozov said: "Quite possible."

Fedorov To Consider Central Bank Appointment

LD1510145294 Moscow INTERFAX in English 1358 GMT 15 Oct 94

[FBIS Transcribed Text] Ex finance minister Boris Fedorov, leading the faction of the December 12 Liberal Democratic Union in the State Duma, could take over the Bank of Russia as chairman, if asked to do so, "but only after Viktor Gerashchenko and Deputy Premier Aleksandr Zaveryukha go," he declared in an interview with Interfax Saturday. However, as Fedorov stressed, so far "no one has made a proposal to him to lead the Central Bank."

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Commenting on a procedure for Gerashchenko's resignation, he noted that "all constitutional norms have been observed."

Meanwhile, the Duma Speaker Ivan Rybkin has said that since Gerashchenko was appointed Russian Central Bank chairman by a presidential decree and lodged a resignation request with the president, "this issue must also be resolved by a decree" from Yeltsin.

In Fedorov's view, the debate on Gerashchenko's resignation, slated for October 21, "virtually loses sense."

Asked whether the head of a commercial bank could be put in charge of the Central Bank, Fedorov replied that "theoretically such a variant is possible." "However, judging by western countries experience, such appointments do not take place," he remarked.

According to Interfax evidence, in view of Gerashchenko's resignation, senior Russian government officials conducted unofficial consultations with some presidents of major Russian commercial banks already on Thursday and Friday.

In the meantime, in an interview with Interfax Saturday a top Russian Central Bank official did not rule out the possibility of a Russian commercial bank president to take up the post of Central Bank chairman.

"There are many highly professional, qualified specialists among the Russian bankers," he said.

MMM President Confident of Winning Duma Seat

LD1410164094 Moscow ITAR-TASS in English 1347 GMT 14 Oct 94

[By ITAR-TASS observer Mikhail Krushinskiy]

[FBIS Transcribed Text] Moscow October 14 TASS—Sergey Mavrodi, president of the MMM joint stock company has no doubts about winning a victory over other contenders in the struggle for a vacant seat in the Russian State Duma.

Sergey Mavrodi is convinced that as a deputy of the State Duma he will be of use to the country as he has "undergone everything in practice" and had personal experience of the "state arbitrariness", and knows "all this system from the inside".

At his first news conference after a seventy-day imprisonment, Sergey Mavrodi stated that he intended to go in for politics. Specifically, he plans to transform the union of MMM share holders into a political party.

At the news conference at the Central House of Journalists in Moscow he stood out for his informal appearance (he had an ordinary shirt on without a tie) against the background of his lawyers and the press secretary who accompanied their chief in fine pressed suits.

The MMM president refrained from any detailed comments on his firm's activities saying only that "everything will soon stand in its own place".

According to Sergey Mavrodi, the MMM joint stock company is not going to demand any compensation from the authorities for the "committed arbitrariness" because of the "full absurdity of this venture".

At the same time he threatened to bring an action against officials who "made slanderous attacks against his firm", the first of them on the list being First Vice-Premier Oleg Soskovets.

Sergey Mavrodi was under arrest being accused that one of the structures headed by him—"invest consulting"—had grossly violated tax legislation.

Media Issues

TV, Radio Service on Problems, Programs

LD1510140794 Moscow Mayak Radio Network in Russian 1430 GMT 14 Oct 94

["Text" of statement by the Russian Federal Television and Radio Broadcasting Service; date not given—read by announcer]

[FBIS Translated Text] State television and radio broadcasting is going through a complicated period. Its daily work is being conducted in conditions of acute budget deficit, increasingly frequent disruptions, and even temporary cessations of broadcasting in various regions of the country.

The financing of our sector is the most acute problem but is far from the only one. There are many unresolved issues in the spheres of engineering and technology, legislation and staffing, work with communications workers and the national communications equipment industry, and in defending Russia's interests in international television and radio broadcasting.

With the emergence of a large number of various nonstate television and radio stations, it has now become a matter of urgency to coordinate broadcasting in the country and protect the interests of the viewing and listening public. The Russian Federal Television and Radio Broadcasting Service was set up by decree of the president of the Russian Federation at the end of 1993 to deal with these and other problems.

It is proving difficult to get this service established as it is meeting with direct and indirect opposition from various lobbyists who have no interest in the establishment of broadcasting norms that are normal, fair, and understandable to the public. It is also coming up against opposition from officials who are finding rich pickings in deciding who gets the plums when dividing up the television and radio budget pie and from politicians playing the so- called regional card in their own personal game.

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In an attempt to gain advantage from the difficulties in implementing the budget, the rumor is being spread among the public and professional regional broadcasters as a whole that the regional state television and radio companies are to be destroyed and eliminated. On this premise, which is known to be false, a campaign is being organized that involves protest telegrams from regional authorities, collective letters, statements, and so on. It is significant that they are all in the form of circular letters and raise only one question: to preserve, no matter what the cost, the directorate of television and radio broadcasting under the Ministry of Press and Information; this ministry was abolished in December 1993.

Yes, this directorate still exists and only for one reason: The federal service's financial structure has not been set up yet. It was necessary to preserve the channels for budget resources to flow to the regions. In the past 10 months not a single kopeck has been spent on the federal service. A group of enthusiasts has been working in it on a voluntary basis. It was only a few days ago that they managed to get confirmation of the staffing level; the staff is now being recruited. In November the federal service can undertake responsibility for financing regional television and radio companies.

In connection with this, Viktor Chernomyrdin, head of the Russian Government, on 30 September gave instructions that the abolition of the directorates under the former Ministry of Information and the Press should be speeded up and naturally, during the abolition, its financial and economic activity during the past years should be checked.

Instead of taking part in the work of the abolition commission and handing over operations and some of its staff to the federal service in a normal way, the leadership of that directorate is making very active attempts to preserve this obsolete structure. The issue has even raised in the State Duma. What we are faced with is obvious sabotage of the decree of the president of the Russian Federation of 22 December 1993, the government decision of 7 May, and the subsequent government instructions.

As far as the Russian Federal Television and Radio Broadcasting Service is concerned, it is conducting and will consistently conduct a policy of developing regional state television in all areas on the basis of the long-term special-purpose program that is now nearing completion.

[Signed] Aleksandr Nikolayevich Yakovlev, leader of the Russian Federal Television and Radio Broadcasting Service.

Judicial Chamber Confirms ITAR-TASS Copyright

LD1410170694 Moscow ITAR-TASS in English 1604 GMT 14 Oct 94

[By ITAR-TASS correspondent Tamara Ivanova]

[FBIS Transcribed Text] Moscow October 14 TASS—ITAR-TASS copyright was confirmed on Friday by a decision of the Judicial Chamber on Information Disputes at the Russian president. Reference to ITAR-TASS is required if its information is used by other media. ITAR-TASS reports, commentaries, video and photo materials are copyright. The recommendation adopted by the chamber suggests that proceeding from the Russian law "On copyright and related rights" the use of ITAR-TASS copyright requires its permission. Under the law, the granting of permission should be regulated by an agreement.

There should be a reference to ITAR-TASS if its materials are used by other media. The Judical Chamber has thus confirmed one of the fundamental rules of ethics in journalism.

ITAR-TASS Deputy Director-General Yuriy Sizov said it is not only that ITAR-TASS materials are used without reference. A local newspaper regularly carried selections of ITAR-TASS reports signed by an author on the newspaper's staff. The journalist's fee totalled a considerable sum.

Announcers of newsreels on tv often say that the mention of the source takes time and slows down the pace of a broadcast. Sizov said this problem can easily be solved. ITAR-TASS name can be flashed in the lower part of the screen.

Professor Anatoliy Vengerov, chairman of the Judicial Chamber, commenting on the recommendation, said that ITAR-TASS can turn to judicial instances in cases of the violation of the copyright law.

Economic Issues

Yegor Gaydar Tipped To Head Central Bank

LD1610185194 Moscow NTV in Russian 1800 GMT 16 Oct 94

[From the "Itogi" program]

[FBIS Translated Text] Literally while our program has been on the air, we have received a report from sources of the utmost credibility that Viktor Gerashchenko's resignation was not a crafty move in a political game, but represents a final decision.

The president is now examining candidates to replace him. According to our information there are six, and the front-runner—despite rumors in the press—is not Boris Fedorov but Yegor Gaydar.

If the lower house of parliament will not accept him for the post, then the president is most likely to repeat what he did before and appoint an acting head of the Central Bank so as to avoid lengthy debates with the State Duma.

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Vavilov Appointment Seen as Stopgap

MM1410135394 Moscow IZVESTIYA in Russian 14 Oct 94 p 2

[Report by Irina Savvateyeva under the general heading "Even the Falling Dollar Increases Prices": "Will the New Temporary Acting Minister Become the Minister?"]

[FBIS Translated Text] A new temporary acting minister emerged at the Ministry of Finance yesterday. A presidential edict has appointed Andrey Vavilov, former first deputy minister, to this post.

Andrey Petrovich Vavilov was born in Perm 10 January 1961. He graduated from the Moscow Institute of Management. He is a candidate of economic sciences. From 1985 through 1992 he worked at institutes of the Russian Academy of Sciences: the Central Economics and Mathematical Institute, the Institute of Economics and Forecasting of Scientific and Technical Progress, and the Institute of Market Problems.

Vavilov worked on the "500 days" program together with Grigoriy Yavlinskiy's team. In January 1992, two months after Gaydar's government began work, he was appointed chief of an administration of the Russian Federation Ministry of Economics and Finance. For Gaydar's team Vavilov was "its man" at the Ministry of Finance. It was no coincidence that in October 1992 Andrey Vavilov became first deputy minister of finance. He worked in this post under three leaders of the department—Vasiliy Barchuk, Boris Fedorov, and Sergey Dubinin.

His present appointment to the post of acting minister—but not minister—is interpreted by some observers as showing the president's reluctance to leave the Ministry of Finance to Vavilov in the long term.

It is rather hard at present to conjecture who will head the Finance Ministry in the end. The mass media have disseminated a report that the president is urgently summoning Boris Fedorov from London. But IZVESTIYA has been told by the "12 December Liberal Democratic Union" faction that by late Wednesday evening Fedorov himself had received no information that Yeltsin was summoning him. Also, to all appearances, the retired finance minister is more interested in the post of leader of the Central Bank.

The only definite thing that can be said is that the president has set himself and the premier a difficult little task, having dismissed Sergey Dubinin, an acknowledged professional, from his post. But professionals in the spirit of Oleg Soskovets, of whom there is an abundance in the present Cabinet of Ministers, clearly are not suitable where it is necessary to curb the irrepressible appetites of sector lobbyists. It has to be thought that Viktor Chernomyrdin understands this better than many. As a result, the choice generally remains limited: The name of Yegor Gaydar is being mentioned once again.

Appointment Said Temporary

LD1410120094 Moscow ITAR-TASS in English 1122 GMT 14 Oct 94

[By BUSINESS-TASS]

[FBIS Transcribed Text] Moscow October 14 TASS—Andrey Vavilov will be acting finance minister only for some time until a replacement is found, BUSINESS-TASS was told on Friday by Vladimir Kvasov, head of the government staff.

Kvasov refused to disclose who would head the ministry, but said that "several candidates are being considered for the post of the finance minister".

Vavilov was appointed acting minister on the next day after his predecessor Sergey Dubinin was sacked for allowing an unprecedented fall of the rouble.

Russian mass media have hinted of late that radical marketeer and former finance minister Boris Fedorov may be offered the post either of the finance minister or of the Central Bank chairman if the State Duma accepts the request of the president and dismisses chief banker Viktor Gerashchenko.

Fedorov, who is a State Duma member now, is to return to Moscow from London on Friday. He is ready to enter the government on certain terms, TASS learned from reliable sources.

Fedorov said he was a pragmatist and would work together with anybody who goes along with the main provisions of his programme and who will have political future.

In London Fedorov told local bankers and businessmen that "to this day the reform in Russia is outward rather than real. I want genuine reform in Russia".

Shokhin on Reasons for Ruble Crisis

LD1410192594 Moscow NTV in Russian 1600 GMT 14 Oct 94

[Report by correspondent Aleksandr Poklad; including recorded comments by Russian Deputy Prime Minister Aleksandr Shokhin]

[FBIS Translated Text] [Shokhin] Vyacheslav Vasilyevich Kostikov is an emotional person, and I am afraid I cannot follow his train of thought.

[Poklad] That was how Deputy Prime Minister Aleksandr Shokhin commented on a statement made by the president's press secretary regarding the existence of some sort of a financial conspiracy. He also noted that government's social and economic policy had nothing to do with the collapse of the ruble, although the financial market has indicated this possibility. For instance, due to harvesting and a big delivery of foodstuffs to the northern parts of the country, the government has

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released a large quantity of rubles. But in the opinion of the deputy prime minister, commercial banks are really the guilty party here.

[Shokhin] We have so many clever people working in the hard currency market—and I mean it in a positive sense of the word. Western financial markets took hundreds of years to achieve what our businessmen, bankers, and brokers have achieved in the past two or three years. That is why they are now capable of using any tiny possibility for their purely commercial, mercenary if you want, purposes. I personally would not be able to prove that behind all this there was also a conspiracy, whereby certain banks were plotting to also gain some political advantages and discredit the government, its policies, and so on and so forth.

[Poklad] Aleksandr Shokhin's news conference has demonstrated once again that the government is not yet ready to reply to the main question that worries the majority of the country's population at the moment—what is the government going to do not to drop the dollar rate but to cut the prices that went up sharply during black Tuesday?

Aleksandr Poklad, Oleg Chupin, NTV

'Experts' Disagree on Prepayment for Dollars

MM1410132194 Moscow RABOCHAYA TRIBUNA in Russian 14 Oct 94 pp 1-2

[Report by Aleksandr Krotkov: "Monetary Crisis: Who Benefits From Tightening Screws?"]

[FBIS Translated Text] The panic of the past few days on the Russian currency exchange has forced the authorities to take a number of measures to toughen up procedures in relevant dealings. Russian Economics Minister Aleksandr Shokhin stated this at a meeting of the Council for Trade and Economic Cooperation Between the CIS and the United States.

"Everyone involved in dealings," A. Shokhin said, "must now transfer ruble funds in advance of purchasing currency. Previously a different procedure was used: Banks which bought 'greenbacks' [kapusta] had to transfer 'wooden' [rubles] in exchange for them within 48 hours. This gave them the possibility, by delaying payment until the last moment, of saving considerable funds in the event of a further fall in the ruble."

In the opinion of experts, however, the new "prepayment" procedure does not accord with market principles, according to which the development of demand depends on price and the buyers cannot say for sure precisely how many dollars they will buy. It would make far greater sense to reduce the transfer time to 24 hours, i.e. until the next dealing session. This would deprive currency buyers of the possibility of speculating on a difference in daily rates.

The new procedure will hardly guard the ruble against further "unpleasantness." For the reasons for its collapse are far more serious and varied. The economics minister himself spoke of some of them. The recent sharp fall in the refinancing rate, he said, has made it not very attractive to invest funds in the ruble, and the interests of many bankers have switched back to the dollar.

Shokhin declared that an analogous role was played by the scandal over shares in the MMM Joint-Stock Company: Small investors, disillusioned with "Mavrodi's papers," rushed to buy up "greenbacks." State treasury bonds could have entered into competition with them here. But the Ministry of Finance and the Central Bank did not see about making them sufficiently attractive to investors in time.

According to Shokhin, no attempt was made to put onto the securities market the "oil" and "gas" shares which the state owns. This too could have partially weakened the buyers' interest in foreign currency.

In short, the power structures proved not at all prepared for the events, whose inevitability must have been guessed. The fact that "the dynamics of the growth in the dollar exchange rate lag behind the dynamics of inflation in the country" was recognized by experts, and "it was impossible not to foresee the autumn surge on the exchange."

Our government has now started "tightening the currency screws," as it were. Such actions can do serious harm to the development of market relations in the country.

In any case the currency crisis in the country could have been avoided if the authorities had adhered to a more sensible and integral economic strategy of reforms.

Foreign Exchange Market Said 'Under Control'

MM1410165794 Moscow IZVESTIYA in Russian 15 Oct 94 p 1

[Report by Ivan Zhagel: "Central Bank and Finance Ministry Continue Saving the Ruble"]

[FBIS Translated Text] The dollar continued to fall in Moscow Currency Exchange trading 14 October. It now stands at 2,988 rubles [R] to the dollar.

Thus, the government structures' attack on the dollar continues, but this time the Central Bank has acted very cautiously and, with the considerable excess of foreign currency supply over demand ($123 million and $52.5 million respectively) it did not permit a sharper rise in the ruble, buying back a considerable amount of foreign currency. In the opinion of A. Zakharov, general director of the foreign exchange market, it is now not so important to achieve immediate success in strengthening the rate of the national currency as it is to stabilize this

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indicator and find its real significance corresponding to the level of the prices of goods and services that have already increased.

A. Zakharov refused to make any specific predictions about the future, but noted that the situation on the foreign exchange market is already under control and the change in the rate in the immediate future will be relatively smooth and predictable. This will also be promoted by the new procedure for settlements, which obliges banks to set aside funds for the purchase of foreign currency—considerably reducing the potential for speculative operations.

The government is starting to stand shoulder to shoulder with the Central Bank. Thus, on 13 October the Finance Ministry held a previously postponed auction to sell state short-term bonds, of which R1 trillion worth were offered for sale. Their average yield was 269 percent, whereas the same indicator at the last auction was just 165.2 percent. Thus, the Finance Ministry is trying to move spare funds out of the foreign exchange market and into the securities market. And it has largely succeeded—whereas less than half of the short-term bonds were sold at the last auction, this time virtually all of them were taken up.

Suggestions for Ruble's Fall Not Confirmed

LD1610144394 Moscow INTERFAX in English 1326 GMT 16 Oct 94

[FBIS Transcribed Text] A well-informed source told INTERFAX today that the report of the State Commission of the Russian Security Council investigating the reasons for the ruble's fall did not contain any sensational revelations. The same source said that the report failed to confirm suggestions made by the Russian president's Press Secretary Vyacheslav Kostikov. Kostikov said in an interview with INTERFAX last Thursday that the ruble's fall on the Moscow Inter-Bank Currency Exchange (MICEX) on October 11 had been provoked by banks financing the Communist Party and the Liberal Democratic Party of Russia (LDPR).

The same source said that the report of the state commission to Russian President Boris Yeltsin focused on analysis of negative tendencies emerged on the MICEX in late September and early October.

The report also contains a number of recommendations for correcting further performance of the government and the Central Bank of Russia.

Zadornov Views Effects of Ruble Fall

MK1410131094 Moscow OBSHCHAYA GAZETA in Russian No. 41/66 14-20 Oct 94 (Signed to press 13 Oct 94) p 1

[Article by Mikhail Zadornov, chairman of the State Duma Budget, Taxes, Banks, and Finance Committee: "Something Soft Should Have Been Laid To Fall On"]

[FBIS Translated Text] The currency exchange crisis of 11 October has both objective and subjective reasons. Money in circulation grew in July-September at a monthly pace of approximately 13 percent, that is, a potential for an increase in the inflation rate emerged. In July-August the quarterly upper limit of Central Bank credits to be given to the government (15.5 trillion rubles) was virtually exhausted. Thus banks have accumulated considerable reserves of free money that were channeled to the currency market.

The Central Bank of Russia initially held up the ruble's fall by its currency interventions, but having spent over $2 billion from mid-August to mid-September, it changed its tactics: the bank lowered intervention volumes in an attempt to bring the ruble to a new "plateau." It was then that an active speculative game began to bring the exchange rate down.

In my view, the Central Bank underestimated the danger of the situation and did not take prompt measures to stave off violent fluctuations of the ruble's exchange rate. Apparently it should have adjusted the mechanism of trading sessions and increased the volumes of interventions.

A special investigation by the Security Council commission will show whether there was a conspiracy involving some banks or, maybe, also high-ranking officials behind the exchange panic. But I think that there was more speculative reasons than profound economic ones for the events of 11 October. The ruble's exchange rate should have been falling, but a daily drop of more than 25 percent cannot be attributed to peculiarities of the economic situation alone.

What does this drastic devaluation of the ruble entail for the economy? A proportionate price rise for imports and a decrease in their volume. A drop in real individual incomes. On the other hand, exporters stand to benefit from the plunge, which widened a gap between domestic and world prices, and the government will find it easier to fulfill its budget obligations.

The main consequence for the financial system is that the trend toward converting hard currency into rubles has been reversed: hard currency has once again become the most attractive means of saving money. Back in August, after a number of financial companies went bust, people were already spending nearly 17 percent of their incomes on buying hard currency. Now this trend is set to grow even further.

The economic course of the government and the president is unlikely to undergo any crucial changes, but the lineup is already changing. In this regard I can only deplore Sergey Dubinin's dismissal—he did a lot to streamline state finances.

Rosugol Director on Coal Sector's Problems

MM1710123194 Moscow RABOCHAYA TRIBUNA in Russian 14 Oct 94 p 4

[Interview with Georgiy Krasnyanskiy, first deputy director of the Rosugol Company, by Viktor Yurlov, as

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part of full-page "Russia's Coal" feature; place and date not given: "We Are Grateful to Everyone, But We Intend Pursuing Our Own Policy. Georgiy Krasnyanskiy, First Deputy General Director of the Rosugol Company, Answers PROMISHLENNYY VESTNIK's Questions"—from the PROMISHLENNYY VESTNIK section]

[FBIS Translated Text] [Yurlov] The miners waged a desperate struggle for political and economic reforms. They were largely successful. At the same time, they have firmly joined the ranks of subsidized sectors, together with the defense industry and agriculture. Is this not a rather sly move, Georgiy Leonidovich? After all, it does not take much skill to prosper on subsidies.

[Krasnyanskiy] You see, there are only three countries on the planet where the coal sector manages without subsidies. They are the United States, South Africa, and Australia. Nature has created there ideal conditions for extraction. Russia, despite its huge coal reserves, is among the countries where its extraction is doomed to be unprofitable. This is one aspect of the question.

The other is that our coal industry has entered the market with most unwieldy production assets, which are two-thirds obsolete. It is no joke, 20 years without modernization! Furthermore, the sector in Russia's conditions is in essence not geared to market conditions. This applies to at least 85 percent, if not to all of it. Does this mean that the sector ought to be cut back? Proposals to this effect are being made occasionally. They ought to be totally ignored. What else, if not coal? To me this sounds as absurd as the superradical proposals to stop growing wheat in Russia because it is cheaper to buy it abroad.

But market conditions are market conditions. No individual sector, not even one as specific as ours, can live under socialism, in conditions of directive prices, while all the rest have switched to free prices a long time ago. But an effective transition to free prices can be implemented only with state support. This is done all over the world. Take France for example. This is a convenient comparison. The point is that the Charbonnage de France coal company is similar to Rosugol.

Last year the French miners received a sum of 7.6 billion French francs [Fr] in subsidies for their basic output. This is equivalent to $1.5 billion. The sector's 17,000 workers extracted 10 million tonnes of coal. But this is not all. A further sum of Fr10 billion was allocated to social programs. The company owes the colossal sum of Fr32 billion to the state. It has no plans to repay the debt. This is because France will have no coal industry by the year 2000. It is putting the emphasis on its nuclear power industry.

Let us now look at what is happening in our country. In terms of volume, the subsidies for Russian miners are comparable with the French. True enough, we receive no centralized funds at all for social programs, but the state has allocated something like $1.5 billion for us. As you can see, 10 million tonnes of coal in France compared with 298 million tonnes in Russia, with 17,000 miners against Russia's 817,000. It is obvious that the subsidy amounts are simply beyond comparison.

Could rich France be an exception? Look at Britain. Incidentally, coal prices were also freed there recently. Moreover, just like in our country, the free price does not cover the production costs. The British have launched intensive processes of cutting back their mines, moving toward nuclear power. But they do not forget their miners. State subsidies amount to 750 million pounds sterling per annum. With an equal amount for social programs like severance pay, resettlement, and so on.

The situation is identical in other European countries. Despite all their reluctance, states are forced to pay for social stability. This is because miners are a special class, they are supported all over the world. But our historical development has been different. The sector has never been assigned the task of becoming market-oriented or profitable. We have gotten used to the demand: "Give, give!" The situation has changed, mentality is changing more slowly.

[Yurlov] Georgiy Leonidovich, no matter how the situation changes, the sector cannot stop functioning. What demand are you using as guideline?

[Krasnyanskiy] This is not a simple question. Bearing in mind our consumers' inadequate ability to pay, we perceive two types of demand: effective and real. Effective demand stands at about 265 million tonnes, real demand at about 285 million tonnes. It would seem that, from the viewpoint of market economics, we should be gearing ourselves to the first type of demand. Those who pay will get their coal, those who do not—hard luck. But if we were to look at real life?

How many of our cities have been built around plants? Including those within the defense industry. They are chronically short of money. And they are not to blame for this. Can we let an entire city freeze, leaving it without fuel all through the winter? This is why we insist that we should be gearing ourselves not to effective demand but to real demand, the demand dictated by our domestic needs.

If the market were to function like clockwork, demand should be less than supply. Many enterprises are following this path but, if truth be said, subject to one specific feature. They have hiked the prices of their output so high that demand for it has been sharply curtailed. We are not setting ourselves this task. We do not intend raising coal prices artificially. We say that the equilibrium price should be determined by supply and demand, that the state's share should be clearly defined. This is the stabilizing aspect. Especially since the coal industry is not the only one being subsidized by the budget. It is necessary to switch to the practice of low subsidies. It is impossible to endlessly support crippled enterprises.

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[Yurlov] It would appear that you support the International Bank for Reconstruction and Development [IBRD] which, on the basis of its own views and perceptions of our problems, suggested that Russia should bring the sector's subsidies down to zero, sharply reduce the volume of extraction, and make some 250,000-300,000 miners redundant?

[Krasnyanskiy] We are listening to all suggestions. Furthermore, we are grateful for the prescriptions being offered. Even though they may not be altogether suitable for us. If there is opposition, this means that everything is normal. But this does not at all mean that we are ready to accept all offers regardless. You have offered your advice, thank you very much. We know how we ought to develop. Russia is not Britain, and conditions here are completely different. This has absolutely nothing to do with great-power chauvinism.

When we studied the IBRD model, we noticed one of its substantial specific features. Not a single other country has implemented a similar model for the coal sector's modernization. France itself took 25 years to reduce the number of miners from 52,000 to 17,000. To this day miners there are being mollycoddled.

We are not so rich as to be able to afford the wholesale closure of pits. Each mining town in our country today is virtually a single-sector city, built around the coal industry. So, if we were to close down the pits, what are we going to do with the miners?

The sector's modernization must take a different path. First of all, it is necessary to implement measures which would make it possible to boost the concentration of production so that we end up with one or two drifts instead of five or six, but have them working at full capacity, more powerful, and more concentrated.

To continue. State support is necessary when cutting back numerical strength, it is impossible to tackle this extremely difficult task on our own. At the same time, it is necessary to create nonstate pension funds so that miners could receive two pensions. Incidentally, the sector today employs 27 percent of pensioners.

[Yurlov] But pit closures are no longer a theoretical question. Many people are actually experiencing the bitterness of the so-called modernization.

[Krasnyanskiy] Our task is to ensure that this process proceeds as painlessly as possible. The structure of state subsidies ought to change. Whereas previously funds were distributed among all coal industry enterprises on the basis of the settlement prices and wholesale prices of coal, today priority ought to be given to specific long-term development projects and fields which yield a fast return. This will make it possible, on the one hand, to reduce state subsidies and, on the other hand, to create rich enterprises.

While on this subject, let me mention another urgent problem, the problem of nonpayments. Here we are vulnerable from two fronts simultaneously. Consumers have not paid us R1.9 trillion. And budget payments were R1.6 trillion short. A total of R3.5 trillion. This is tantamount to nonpayment for two months' work by the entire coal industry.

Our Ukrainian friends' experience eloquently shows where this might lead. Even their Donetsk coal field is now bankrupt. The result—more frequent pit explosions and higher incidence of industrial injury. What can you expect when there is no money to buy timber or metal. It would be a calamity if Russia ended up the same. This is what I would say: Funding the coal industry is a question of life or death.

[Yurlov] Georgiy Leonidovich, much is being said about foreign investments, including by miners. Have there been plenty of rich uncles ready to invest their dollars in Russian coal?

[Krasnyanskiy] There were times when Russia was spoken of as a country of protocols and intentions. The miners are no exception. We have signed dozens, if not hundreds, of such documents with the most diverse firms. But they are very cautious about our situation. They no longer wish to invest their own capital in joint ventures, they would rather contribute their output.

For example, we are working with the Krupp firm on developing the KSM-4000 new generation machines for open-cast mining. There is colossal demand for these machines—120 each year. Their use will make it possible to sharply increase coal extraction. Raising extraction from open-cast mining is part of the modernization program. We intend to raise it to 60 percent. And if we are serious about this, we will simply not manage without these machines. Maybe this will mark the new takeoff of Russia's coal industry.

Military & Space Issues

Defense Ministry Short of Funds

LD1510161394 Moscow INTERFAX in English 1358 GMT 15 Oct 94

[FBIS Transcribed Text] Russia's Finance Ministry by now owes the Defense Ministry about 9 trillion rubles, a Defense Ministry source said.

The source, reminding that this year's military allocations in the national budget are set at 40.6 trillion rubles, told Interfax on Saturday that lack of funds would make it possible to provide military officers with less than half of the housing that had been planned to be built for them this year. The Defense Ministry has also practically suspended purchase of new types of armaments, said the source, who asked not to be named.

The source warned that insufficient expenditure for the utilization of armaments put out of active use could cause accidents. He said 85 nuclear submarines put on lower combat readiness were still at their former bases.

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The source said the Defense and Interior Ministries had asked President Boris Yeltsin to raise pay for armed forces and police personnel to the levels existing in the border guard and security service. Yeltsin has promised to consider the matter, other sources told Interfax.

Parliament has still not carried out its plan to form a nonbudgetary fund for the armed services, the source said, adding that he doubted the Finance Ministry would pay its debt too soon.

Financial Constraints Affect Combat Capability

LD1610190294 Moscow Radio Rossii Network in Russian 1520 GMT 16 Oct 94

[From the "Slavyanka" program of the Russian Defense Ministry]

[FBIS Translated Excerpt] [Announcer] [Passage omitted] But what of the combat capability of the Armed Forces? Has this been reduced under the impact of economic factors? We put this question to Colonel General Vladimir Semenov, commander in chief of the Land Forces.

[Begin Semenov recording] Well, of course, the level of combat readiness is for a number of reasons somewhat reduced today. First of all, there is the level to which we are trained in peace time. One must say bluntly that our army aviation pilots, because we today are on survival rations, so to speak, have no opportunity to fly and carry out the flying training program. Because we are on survival rations we cannot keep our helicopters maintained in good working condition to the proper level. In some army aviation regiments, helicopters are significantly below the required level of technical readiness—somewhere around 30-40 percent of equipment is not in working order. For the most part, this equipment is standing idle because of a lack of spare parts that we today cannot buy from Russian industry.

There are other elements that to some degree affect the state of combat readiness. Our units are under strength, one would wish our manning levels to be much higher. Unfortunately, these stand today somewhere around 45-50 percent, and we have to maintain some individual units at reduced strength and even at cadre strength [skadrovannyy]. This means these units are 70 percent under strength. We should call up from the reserve to bring them up to strength, mobilize people.

I would not say we are today maintaining a sufficient level of combat readiness. There are very many problems here, many issues, which do not wholly depend on us, on the Defense Ministry, on unit commanders. Unfortunately, today we are experiencing a great shortage of young officers, manning levels are very much below strength in the land forces. Therefore, the main burden here lies upon the shoulders of the senior commanders. For instance, if there is no platoon commander, then the company commander has to carry out all functions. This is a big physical and mental burden weighing upon the commander and it is of course very difficult for him. We understand this, and are trying to take measures, to call up from the reserve, or under contract, as we call it, officers who have graduated higher education institutions and have the rank of reserve officers. But as yet I am afraid we have not resolved this problem. [end recording]

[Announcer] The prestige of the military profession has indeed diminished recently, and if one speaks frankly about the reasons for such a diminution, it has to be admitted that the economic factor plays a very heavy role here.

Arms Sales Reach $2.5 Billion; Set To Double Next Year

MM1710104094 Moscow KOMSOMOLSKAYA PRAVDA in Russian 15 Oct 94 p 1

[Unattributed report from "Inform" column: "Farewell to Arms!"]

[FBIS Translated Text] In 1994 Russia has sold weapons and equipment worth a total of $2.5 billion. Specialists believe that this sum will be doubled next year.

But 1994 is not over yet, and the sum of 2.5 billion cannot be considered final. According to the "Rosvooruzheniye" leadership, by the end of the year it is planned to sell 200-300 T-72S tanks from the Urals Freightcar Plant to India. There are also other plans that have not yet been officially announced.

Seven Hurt in Tomsk Missile Booster Explosion

LD1410173894 Moscow ITAR-TASS in English 1603 GMT 14 Oct 94

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Transcribed Text] Moscow October 14 TASS—Seven servicemen from an anti-aircraft regiment stationed near the Russian city of Tomsk, were injured as a result of an explosion of an anti- aircraft missile booster.

On Thursday a unit of the regiment was carrying out a planned explosion of powder grains in connection with their replacement, a spokesman for the Information and Press Department of the Russian Defense Ministry told ITAR-TASS today.

Due to carelessness there was an explosion of a greater power than it was expected. Seven servicemen were injured, one of them was hospitalized. Window panes were destroyed in the barracks of the technical battalion nearby.

The explosion was of a local character and represented no danger to citizens.

Strategic Aircraft Make Long-Range Flights in Exercises

MM1710091694 Moscow KRASNAYA ZVEZDA in Russian 14 Oct 94 p 1

[Report by Viktor Beltsov of the Air Force Press Center: "Strategic Missile Aircraft Make Maximum-Range Flights"]

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[FBIS Translated Text] The flying skills and combat training of long-range aviation pilots were inspected during a command-staff exercise.

At the end of the training year on 13 October two Tu-160 supersonic missile-carrying aircraft crews successfully flew the maximum distance to the North Pole region. At the same time four Tu-95 bombers headed for preselected test areas in the Sea of Okhotsk and the Barents Sea. Another couple of strategic aircraft carried out a maneuver to draw off the "enemy" from the European section of the country to Tiksi and along Russia's Arctic borders.

Mir Astronauts Carry Out Scientific Research

LD1410192894 Moscow ITAR-TASS in English 1700 GMT 14 Oct 94

[FBIS Transcribed Text] Ground Mission Control Center October 14 TASS—The 16th and 17th main expeditions of the Mir orbiting station and an astronaut from the European Space Agency will hold joint research on board the station for nine days.

A regular series of medical experiments will be staged today by Ulf Merbold, Yelena Kondakova and Aleksandr Viktorenko under supervision of physician Valeriy Polyakov. They aim to study hormone regulation of metabolism in human body and indices characterizing the function of the cardio-vascular system during adaption to zero gravity. They will also measure the ionizing space irradiation in living quarters of the station and the level of noises produces by working equipment.

Yuriy Malenchenko and Talgat Musabayev will go for technical servicing of the station. They have replaced three accumulator batteries in the basic unit which caused a malfunction of the energy system on October 11.

According to the results of a medical examination and reports from the orbit, the six cosmonauts are feeling well.

Mir Space Crew Repair Energy Supply System

LD1510210194 Moscow Russian Television Network in Russian 2000 GMT 15 Oct 94

[From the "Vesti" newscast]

[FBIS Translated Text] The Flight Control Center has just informed Vesti that the energy situation is returning to normal on board the Mir space complex, where a Russo-European crew is working. Repair of the onboard energy supply system is being successfully completed. This has enabled European Space Agency representative Ulf Merbold to resume his experiments according to the program.

Federal Assembly

No-Confidence Vote Unlikely To Succeed

LD1410202394 Moscow ITAR-TASS in English 1938 GMT 14 Oct 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow October 14 TASS—The discussion of no-confidence to the cabinet of Viktor Chernomyrdin, to be held in the Russian State Duma on October 21 on the initiative of Democratic Party of Russia faction, is not likely to result in the government's resignation, many Duma members think. Lobby interviews conducted by ITAR-TASS in the Duma suggest that a considerable number of deputies will vote for no-confidence, but the no-confidence resolution will not get the required majority vote.

Leaders of major opposition factions seems to be hesitating so far. Gennadiy Zyuganov, the leader of the Russian Communist Party, eluded a direct answer as to what the stance of his faction would be. He said the faction would make its mind after the government's account on execution of the 1994 budget. Zyuganov disclosed that the faction's leaders asked experts to assess possible outcomes of no-confidence voting.

Vladimir Zhirinovskiy told ITAR-TASS that his faction would be certain on the matter later. "There will be very many votes for the government's resignation, but the no-confidence resolution will not get the required majority vote," he predicted.

Many deputies think it unlikely that Communists will want to spearhead the attack on the government. Mikhail Poltoranin, of "Russia's Choice" faction, is sure that the Communists will not venture to attack. "They see Chernomyrdin as their man, and they are afraid that the president will replace him with some radical," Poltoranin said.

Another representative of "Russia's Choice", Lev Ponomarev believes the Communist faction would divide in the voting. He said he "intuitively felt" that the government would stay. Anyway, Ponomarev said, it is sure that the mood of two democratic factions, "Russia's Choice" and "December 12 Liberal Democratic Union" is not to vote for Chernomyrdin's resignation, he said.

Grigoriy Yavlinskiy, the leader of the former Yavlinskiy-Boldyrev-Lukin ("Yabloko") electoral bloc, was uncertain. He thinks, however, that the no-confidence issue "will not be resolved in any way." Neither supporters nor opponents will make a majority, Yavlinskiy predicted.

Deputies Comment on Gerashchenko Resignation

LD1410163994 Moscow ITAR-TASS in English 1443 GMT 14 Oct 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

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[FBIS Transcribed Text] Moscow October 14 TASS—Chairman of the Russian Central Bank Viktor Gerashchenko acted like "a real man" when sending in his resignation, leader of the Yabloko Duma faction Grigoriy Yavlinskiy told correspondents today during a break of the Duma plenary.

"I think that the Central Bank chairman has hurried to act," believes chairman of the Duma Committee for Economic Policy Sergey Glazyev.

Resignation of Gerashchenko "is the first result achieved by the state commission to investigate the reasons for the ruble drop on the instruction of the Russian president," member of the Financial- Budget Commission Aleksandr Zhukov told BUSINESS-TASS.

Duma deputies stress that the fact of Gerashchenko's sending in his resignation does not mean the final solution of the problem, bearing in mind deposition of the Central Bank chairman is a prerogative of the State Duma.

Regional Affairs

Reportage on Events in Chechnya 15-16 Oct

Groznyy Returning to Normal

LD1710085794 Moscow ITAR-TASS World Service in Russian 0735 GMT 17 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Excerpt] Groznyy, 17 Oct (ITAR-TASS)—After deteriorating sharply on Saturday, the situation in Groznyy is gradually returning to normal. Life is going on as usual in the city—enterprises and institutions are operating and the schools are open. Automatic weapons fire was heard during the night in various districts of Groznyy but so far there are no official reports of any new clashes.

Supporters of [President] Dzhokhar Dudayev are continuing a permanent rally on the square in front of the presidential palace, and people are continuing to enroll with the local defense force.

There is virtually no information in Groznyy about the situation in Nadterechnyy and Urus-Martan districts, which are under the control of the Chechen Provisional Council. [passage omitted]

Mamodayev Calls for Reconciliation

LD1710081594 Moscow ITAR-TASS in English 0751 GMT 17 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Transcribed Text] Groznyy October 3 TASS—"Attempts to overthrow the Dzhokhar Dudayev's regime by force of arms are fraught with a final split of the Chechen society," Yaragiy Mamodayev, head of the people's confidence government, claimed in a telephone interview with ITAR-TASS on Monday.

He said that only between 1,000 and 2,000 armed people are waging the struggle for power in Chechnya. In his opinion, Dudayev's supporters are doing might and main to remain at the helm of the state, while the opposition seeks to take power virtually by the same illegal methods.

But present-day opposition leaders, even if they win this struggle, will be forced to exert all their efforts for self-preservation. It will turn out that one regime will replace the other, but nobody will care for solution of difficult social and economic problems of Chechen people, Mamodayev stressed.

He is sure that it is possible to pull the republic out of the crisis only through national reconciliation and accord. In his opinion, it is necessary to call urgently a congress of Chechen clans, since only they, with their inner organisation, remain a real political force in Chechnya.

"Therefore, I call on all my fellow countrymen to abstain from armed clashes on any side," Mamodayev stressed.

Khasbulatov on Developments

LD1610205894

[Editorial Report] Moscow NTV in Russian at 1800 GMT on 16 October broadcasts the "Itogi" program introduced by announcer Sergey Kiselev, which contains a 10-minute video report on an interview with Former Russian Parliament Speaker Ruslan Khasbulatov by unidentified correspondents.

Kiselev begins by reviewing the events in Chechnya during the last 36 hours. He says that the footage received from Chechnya today did not show any signs of enhanced military activity, and adds: "An explanation of the secrets of this present spiral in Chechen politics was provided to journalists by Ruslan Khasbulatov today."

Khasbulatov, who is shown being interviewed in what appears to be an apartment lounge, begins by saying: "It turns out that this afternoon the military command of the interim council made a decision to begin a decisive attack on the positions of the ruling regime. In all the preceding days, we, together with Dudayev's field commanders, have been busy looking for a normal decision. There was a definite agreement that during those days they will pull out of the game, they will clarify their role in the distribution of forces, and will not offer any resistance. For our part we were of course prepared to provide certain guarantees to these people, because they have refused to fight against the nation alongside the ruling regime, and also taking into account that they have not stained themselves with blood or with dirty deeds. The talks were reasonably successful. Then we learned that such decisions were made by the military—fair enough, if the decisions are made that is it. That is why when these hostilities began, mediators of these

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commanders came to see me and said: Hold on, we are in the process of negotiating, what is going on? I said in response that of course I personally was sorry about such developments, but you see, I have told you many times that we are not involved in immediate administrative or military decision-making, and the leader of the peacemaking group is not involved in them, either. Therefore, when hostilities begin our mission is naturally reduced."

An unidentified correspondent asks: "Whose order was this?" Khasbulatov answers: "One should assume that the order was made by those who made that decision—by the military, probably by Umar Avturkhanov, Beslan Gantemirov. These people decided to bring out the troops. Of course, people are not in two minds about this now—they regard this as cowardice, or treason, or betrayal. I have been doing a lot here—not in order to support the prestige of the interim council, but because there is a virtual crisis in the leadership of the interim council. So, to be honest, the situation that had developed at night is still difficult to interpret. However, we here are attempting to sort it out."

An unidentified correspondent asks: "Ruslan Imranovich, going back a few days, there was a wave of allegations in Moscow about the threat of Chechen terrorism."

Khasbulatov answers: "The Chechen factor, the Chechen menace will be dramatically reduced. Because if Dudayev's entourage did not provide the impetus for these criminals, I do not think there would not be any problems with them [word indistinct]. You know, there are probably certain quarters in the Kremlin, in Moscow, who believe they can profit by preserving that regime. Probably this fits into the so-called conception of managed conflicts. They probably believe that the interim council must be supported, so that Dudayev does not destroy it—but must not be enabled, also in military terms, to destroy Dudayev in its turn. Maybe someone enjoys such games. In my opinion—and I am deeply convinced of it—every day of Dudayev's regime threatens the national interests of the Russian Federation."

Kiselev ends the report by updating the Chechen situation from INTERFAX.

Opposition Forces Capture 10, Kill 18

LD1610141394 Moscow ITAR-TASS World Service in Russian 1315 GMT 16 Oct 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 16 Oct (ITAR-TASS)—Ten supporters of [Chechen President] Dzhokhar Dudayev were captured yesterday in clashes with his armed groups in Groznyy and taken to the village of Tolstoy-Yurt, where one of the bases of the Chechen opposition is located. The Provisional Council's press center told ITAR-TASS that according to preliminary reports 18 Dudayev supporters were killed in the clash. The same reports state that opposition losses amounted to two people killed and several fighters wounded, one seriously.

The overall command of the operation was taken by Umar Avturkhanov, the leader of the Provisional Council. It involved 600 personnel, 20 armored personnel-carriers [APC], one tank, and three combat helicopters. One APC had to be abandoned in Groznyy after its engine failed. Arms and ammunition were removed from the APC.

According to the Provisional Council, the helicopters involved in the operation, whose crews—contrary to claims by official Groznyy—were Chechen and not Russian, were operating in the immediate vicinity of the presidential palace. In view of the fact that crews with heat-seeking antiaircraft missiles were deployed on the roofs of buildings near the Svobody Square, an airstrike was launched at the top story of one of the buildings.

Substantial forces loyal to Dudayev were concentrated in the district where his family lives, but they did not engage the opposition.

Opposition To Control Groznyy

LD1610134094 Moscow ITAR-TASS World Service in Russian 1247 GMT 16 Oct 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 16 Oct—The joint forces of the opposition, who on Saturday 15 October carried out reconnaissance of the fighting in Groznyy, intend within a few days to take it under control. ITAR-TASS was informed of this today at the press center of the Chechen Provisional Council, whose headquarters is situated in the village of Znamenskoye in Nadterechnyy Rayon.

Umar Avturkhanov, head of the Provisional Council, today thanked the opposition fighters who took part in the operation and conducted an analysis of his troops' actions in Groznyy.

An order of the leader of the Chechen opposition, which was issued in this regard, points out that during Saturday's operation subunits of the Provisional Council entered Groznyy from two directions (Urus-Martan and Tolstoy-Yug) and reached the city center without encountering resistance. Two neighborhoods in the city were taken under control and reconnaissance of its central area was carried out. During armed clashes with formations of [Chechen President] Dzhokhar Dudayev, the opposition forces had two dead and several wounded, one of them seriously.

First reports from the opposition say that 18 government troops were killed.

This operation, according to Umar Avturkhanov, illustrated that the forces of the Provisional Council are able to capture Groznyy at any time. However their main task

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is to do so with the minimum number of losses. A decision was taken to storm Groznyy in a few days' time. At the same time the opposition intends to inform the inhabitants of the capital of Chechnya who might enter the combat zone.

Some Parts of Groznyy Occupied

LD1610130194 Moscow Radio Rossii Network in Russian 1200 GMT 16 Oct 94

[From the "Vesti" newscast]

[FBIS Translated Excerpt] Contradictory reports are coming from Chechnya. [passage omitted]

The Chechen opposition continues to claim that a number of districts in the capital of Chechnya and the approaches to it are under its control. A representative of Ruslan Khasbulatov's group told INTERFAX on Sunday that Dzhokhar Dudayev has been presented with another ultimatum to lay down his arms and surrender.

Opposition Suffers Casualties

LD1610115794 Moscow Russian Television Network in Russian 1100 GMT 16 Oct 94

[From the "Vesti" newscast]

[FBIS Translated Text] Throughout the whole of last night the country's media have been following the development of the acute situation that has arisen in the Chechen republic. Here's the very latest news from the Chechen capital.

The storming of the presidential palace did not take place. Armed formations of the opposition joint forces, who entered Groznyy yesterday, withdrew to their starting positions—the villages of Znamenskoye and Gekhi—at dawn today. Official Groznyy has confirmed that subunits of Russian troops—this is how the opposition forces are being described here—have withdrawn. The armor of the armed formations of the Chechen opposition, who yesterday closed in on Groznyy, was withdrawn early this morning beyond Terskhiy Khrebet. This was reported to INTERFAX at the press center of the main headquarters of the Chechen Armed Forces. According to press center information, the opposition lost about 40 dead and wounded. Apart from this, government troops destroyed 10 pieces of armor. Official Groznyy has confirmed that 12 Russian officers were taken prisoner. They were wounded in battle and sent to a military hospital under the guard of the Chechen president's security services.

Government troops and people's militia, according to a statement from Groznyy, are now fully in control of the situation in the Chechen capital and all its residential areas, with the exception of the villages of Znamenskoye and Gekhi, where the main forces of the Provisional Council are deployed.

Over 10,000 Join Groznyy Defense Force

LD1610105294 Moscow ITAR-TASS World Service in Russian 0950 GMT 16 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 16 Oct—President of Chechnya Dzhokhar Dudayev, who has been working at his residence since this morning, is expected to hold a conference in the second half of today with the leadership of the power ministries to discuss the present situation in the republic.

Supporters of Dzhokhar Dudayev are holding a rally on Freedom Square in the center of Groznyy, where enrollment is continuing for a local defense force. According to information from the official authorities, more than 10,000 people have already joined the defense force and have moved to positions near the settlements of Znamenskoye and Gekhi, from where the threat remains of a fresh offensive against the Chechen capital.

Opposition Forces Withdraw From Groznyy

LD1610102394 Moscow ITAR-TASS World Service in Russian 0944 GMT 16 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 16 Oct—The armed formations of the opposition's combined forces that entered Groznyy on Saturday withdrew at dawn today to their initial positions in the villages of Znamenskoye and Gekhi. According to the Chechen Republic's national information service, Shamil Basayev, the commander of a subunit of Chechen special forces, was slightly wounded as a result of fighting yesterday between opposition forces and formations loyal to Dudayev.

Official Groznyy claims that the subunits of Russian forces—which is what the opposition forces are called here—have retreated. According to statements from Groznyy the government forces and people's home guard are fully in control of the situation in the capital of Chechnya and all its populated localities, except for the villages of Znamenskoye and Gekhi, where the main forces of the Provisional Council are located.

Shooting in Groznyy; Palace May Be Stormed

LD1610025994 Moscow ITAR-TASS in Russian 0031 GMT 16 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 16 Oct—Chechen President Dzhokhar Dudayev spoke on local television at 1030 GMT today [15 October]. He appealed to the people of Chechnya to remain calm. The tone of his address shows that despite the fact that the center of the town is surrounded on three sides by the opposition forces, government forces are maintaining their fighting efficiency and are prepared for resistance.

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A rally of pro-Dudayev supporters is underway in the center of Groznyy. Its participants are confident the opposition forces will be thrown back. One can hear explosions in the outskirts of the town and shots are being fired from time to time. According to unconfirmed reports, the government forces are putting up resistance to the Interim Council troops which are moving towards the town center. It has been reported that the opposition lost two tanks and several APCs in the clashes. No casualties have been reported, It is difficult to assess Dzhokhar Dudayev's forces in Groznyy. It is only known that subunits of the so-called Abkhas battalion of Shamil Basayev are putting up resistance to the opposition detachments which are advancing from the direction of Urus-Martan. TASS has learned that the Interim Council troops intend to storm the presidential palace at dawn.

Khasbulatov Calls for Talks

LD1510212194 Moscow ITAR-TASS World Service in Russian 2105 GMT 15 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 15 Oct—Ruslan Khasbulatov, the leader of the peacemaking group, has called on Chechens to use every endeavor to prevent today's confrontation between pro- and anti-Dudayev forces from becoming a large-scale fratricidal war. Speaking on Saturday evening on the opposition's television channel, he said the fighting in Groznyy had stopped as darkness fell, but there remains the danger of it resuming at dawn.

Ruslan Khasbulatov called on his fellow countrymen to avoid bloodshed by "urgently beginning talks on ways of transferring power."

The official authorities' television channel broadcasts alongside the opposition's in Groznyy and is showing reports from Liberty Square, where supporters of Dzhokhar Dudayev have gathered to demand that "the opposition be finished off."

Shooting had virtually ceased in the city by midnight, with only occasional automatic weapons fire being heard in various parts of Groznyy. There are few people on the streets of the Chechen capital. Most are staying at home and waiting for events to develop further.

Opposition Attack on Groznyy Postponed

LD1510210694 Moscow ITAR-TASS World Service in Russian 2017 GMT 15 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 15 Oct—This evening the combined opposition's forces entered Groznyy and took control of its eastern and northwestern parts. Its center and the presidential palace which is situated there remain as yet in the hands of government forces. Opposition circle sources informed the ITAR-TASS correspondent that the attack on the center of Groznyy has been postponed in order to avoid heavy bloodshed.

The opposition has decided, apparently, to propose to Dzhokhar Dudayev's supporters that they lay down their arms. However, all the signs are that the latter are preparing an armed rebuff. According to unconfirmed information, they have taken up positions in administrative buildings and residential blocks in the town center. Groznyy's official television is continuing to operate. Spokesmen of the pro-Dudayev armed formations have been appearing on it and calling on their supporters to assemble outside the presidential palace. All the town's vital installations are functioning normally. There have been no interruptions in public electricity, gas, and water supplies.

Authorities Blame Russian Army

LD1510195194 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 15 Oct 94

[FBIS Translated Excerpt] The situation in Groznyy remains complex. [passage omitted]

In turn, the official authorities have described the storming of the town that began today as an aggression by the Russian Army. According to Musa (Yusupov), Chechnya's military commandant, the town was attacked at about 1700 hours by combat aircraft bearing Russian identification markings. In addition, two Russian aircraft, an SU-27 and a MIG-29, made reconnaissance flights over Groznyy at about 1900 hours. According to the military commandant, forces from the North Caucasian Military District and Interior Ministry troops were deployed in the operation.

Statements have been issued by the president and vice president of Chechnya. Dzhokhar Dudayev has appealed to the international community to help repulse Russia's military aggression. In turn, Vice President Zelimkhan Yandarbiyev called on everyone considering himself a Chechen to take up arms.

Vice President Urges Armed Resistance

LD1510171094 Moscow ITAR-TASS in English 1653 GMT 15 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Transcribed Text] Grozny October 15 TASS—Chechen Vice- President Zelimkhan Yandarbiyev has called on the residents of the republic to "stand up for the freedom and independence of Chechnya."

In his address to the nation broadcast by local television on Saturday, Yandarbiyev said that the Chechen capital Groznyy had been "attacked by Russian troops and everyone who considers himself a Chechen and a man must take up arms."

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Earlier today, Ruslan Martagov, spokesman for the opposition provisional council, told ITAR-TASS that its troops had entered the city and were moving towards its centre, facing practically no resistance from the government troops, except for sporadic gun fire. No casualties have been reported so far.

The provisional council said its troops may take over the whole city within the next few hours. They have been ordered to seize the presidential palace by Sunday morning.

The whereabouts of Chechen President Dzhokhar Dudayev and his supporters is unknown, ITAR-TASS learnt from sources in Groznyy.

However, military sources said that some of Dudayev's supporters remain in the central part of Groznyy and are ready to put up armed resistance.

Opposition Forces Control Main Roads

LD1510165794 Moscow ITAR-TASS World Service in Russian 1614 GMT 15 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Excerpt] Groznyy, 15 October—The armed united opposition forces, which entered Groznyy today by 1800, have the eastern section of the city entirely under their control. Armored vehicles belonging to the opposition have been stationed on the main roads and crossroads in the Chechen capital. However, they are not blocking traffic.

The TV station of Ruslan Khasbulatov's peacemaking group is operating in Groznyy but all its programs are pre-recorded. It broadcasted an interview with one of the opposition leaders, Ruslan Tsakayev, who said that "Dzhokhar Dudayev should be tried but first he needs compulsory treatment for his mental disease."

At 1830, official television in Groznyy began showing a documentary on the wildlife in Chechnya.

There is no particular tension to be felt in the center of Groznyy, which an ITAR-TASS correspondent visited. There is no concentration of troops or armor. There are few people out on the streets.

Shots could be heard in the eastern part of Groznyy between 1600 and 1700 but the shooting ceased after 1830. According to as yet unconfirmed information, during this time opposition units shot up a militia school building and asked the Dudayev supporters inside to give themselves up. According to information possessed by ITAR- TASS, the opposition's conditions were accepted.

Taking account of opposition reports of preparations to storm the presidential palace, an ITAR-TASS correspondent attempted to contact the leadership of the Groznyy authorities but all of the telephones were silent. [passage omitted]

Opposition Forces Encounter No Resistance

LD1510154794 Moscow ITAR-TASS World Service in Russian 1509 GMT 15 Oct 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 15 Oct—Armed units of the combined forces of the opposition entered Groznyy this afternoon from the south-east (Urus-Martan) and the north-west (Tolstoy-Yurt) virtually unopposed and were heading for the center at 1800 Moscow time. The leadership of the Provisional Council is at the head of the units, according to information from those close to it.

Ruslan Martagov, head of the Provisional Council press center, told ITAR-TASS that there is virtually no opposition from Chechen government forces and only insignificant skirmishes are being observed. There have as yet been no reports of casualties.

The Provisional Council reckons Chechnya's capital could be taken in the next few hours. Its subunits have been set the task of seizing the presidential palace in Groznyy by tomorrow morning. However, according to military sources, some of Dzhokhar Dudayev's supporters in the center of Groznyy have no intention of surrendering and could put up armed resistance.

The Provisional Council has no information about the whereabouts of the Chechen president. ITAR-TASS at present has no information from official Groznyy, either.

Provisional Council Forces Enter Groznyy

LD1510151794 Moscow ITAR-TASS World Service in Russian 1442 GMT 15 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 15 Oct—This afternoon armed formations of the Chechen Provisional Council entered Groznyy from the southeast and by 1600 had taken control of part of the town adjacent to the village of Staraya Sunzha.

As yet unconfirmed reports say that another unit of the opposition forces is attacking Groznyy from the opposite northwestern direction. Firing can be heard in various parts of the town.

According to ITAR-TASS information from sources in Groznyy nothing is known as yet of the whereabouts of the Chechen president and his circle.

Opposition Launches Operations

LD1510124094 Moscow ITAR-TASS in English 1226 GMT 15 Oct 94

[FBIS Transcribed Text] Moscow October 15 TASS—The united opposition forces started active offensive operations at 03.00 on October 15: they moved from the

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villages of Urus-Matan and Tolstoy- Yurt towards the suburbs of Groznyy, a spokesman for the information committee of the Chechen Provisional Council told ITAR-TASS. According to the same source, Dzhokhar Dudayev's units quit their posts near the villages of Dolinskiy and Pervomayskiy, near Groznyy. According to the opposition sources, the units loyal to the Chechen Government are now being moved towards the attacking forces of the Provisional Council.

Part of the staff of the Provisional Council, including its military leaders, moved to the village of Pravoberezhnoye, 15-20 km away from Groznyy, ITAR-TASS learned at the information committee.

The opposition sources believe that a storm of the Chechen capital may begin within several hours.

The Groznyy officials did not provide any information to ITAR- TASS about the offensive of the Provisional Council forces and the situation in the Chechen capital.

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International Affairs

U.S. Space Cooperation Agreement Prepared

LD1510142694 Kiev UNIAN in Ukrainian 0930 GMT 15 Oct 94

[FBIS Translated Text] Kiev [no dateline as received]—Leonid Kuchma is to sign a wide-ranging agreement on space cooperation between Ukraine and the United States during his official visit to the United States in late November, revealed Andriy Zhalko-Tytarenko, acting director general of Ukraine's National Space Agency in an exclusive interview for UNIAN on 15 October.

He said that a draft document had already been prepared by the Ukrainian side to lay the legal basis for cooperation. Under the proposed deal, the sides will set up working groups in specific areas and share scientific achievements. In addition, Ukraine is offering its know-how in the development of new generation space transportation systems.

According to Zhalko-Tytarenko, a recent directive by U.S. President Bill Clinton allows the use of advanced foreign know-how in space transportation systems while carrying out national tasks. "In this connection we have offered practically all our know-how in rocket-building for joint projects in the building of space transportation systems," the acting director general said. He added that Ukraine had asked the U.S. Administration to allow quotas for the use of Zenith and Cyclone carriers and ballistic missiles. which are being converted for civilian use.

Tax Accord Signed With Finland

LD1410160694 Kiev UNIAN in Ukrainian 1300 GMT 14 Oct 94

[FBIS Translated Text] Kiev—Heads of the foreign policy departments of Ukraine and the Republic of Finland on 14 October signed an intergovernmental agreement on preventing double taxation and evasion from income and property taxes.

After the signing of the document a joint news conference was held by the foreign ministers of the two countries. The head of the foreign policy department of Ukraine pointed out that relations between Ukraine and Finland have been developing since 1918. Hennadiy Udovenko said that during the meetings they discussed the issue of cooperation in political and military-political spheres and European structures as well as the issue of cooperation at the regional level. The Ukrainian foreign minister thanked his Finnish counterpart for the humanitarian aid rendered by Finland in eliminating the consequences of the accident at the Chernobyl nuclear power station and combating the cholera epidemic.

Hennadiy Udovenko emphasized that the Republic of Finland plays an important role both among Scandinavian and European countries and voiced the hope that owing to this visit Ukraine would be represented in international organizations on a broader scale.

Heikki Haavisto, foreign minister of the Republic of Finland, said that next year his country will become a member of the European Union and will support Ukraine in its aspiration to join this organization and in the rendering of assistance to Ukraine by the European Union.

Heikki Haavisto also pointed out that the issues discussed included aspects of cooperation between the foreign ministries of the two countries. Ukrainian Foreign Ministry employees will attend a special course in Finland and peacekeeping personnel will undergo training there.

To the question on whether the great military potential in Kaliningrad Oblast poses any threat to the Republic of Finland, Heikki Haavisto replied that his country does not feel such a threat. However, Lithuania, Latvia, and Estonia have certain apprehensions in this connection.

Figures Given for Turkmen Gas Debt

LD1710105094 Kiev UNIAR in Ukrainian 2215 GMT 16 Oct 94

[All numbers as received]

[FBIS Translated Text] [no dateline as received]—According to the "Respublika" corporation, Turkmenistan has supplied 9.101 billion cubic meters of gas to Ukraine over a period of eight months this year. The corporation's representatives do not specify just how much of this gas was designated for Ukrainian consumers and how much for underground storage. According to information from the "Ukrhazprom" [Ukrainian Gas Industry] joint stock company, over this period 2.5 billion cubic meters of gas was supplied from Turkmenistan to Ukraine for consumers. Since the resumption of Turkmen gas supplies in May, Ukraine has had a shortfall of 30-40 percent in the receipt of gas of the contractual volumes each day.

During government talks in Kiev at the beginning of September, the "Respublika" corporation mediated a debt repayment schedule. According to this schedule, $142.5 million in goods (and $50 million in currency) should paid in September; $185.2 million in goods and $58.53 million in currency in October; $185.24 million in goods and $58.53 million in currency in November; and $162.3 million in goods and $58.52 million in currency in December. According to (Ihor Sharov), first vice president of "Respublika," the corporation is adhering in full to the debt repayment schedule coordinated by all sides. However, there are problems with settling the debt in goods: Ukrainian plants supplying these products are not adhering to the supply dates.

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According to "Respublika" representatives, the structure of settlement of the debt in goods includes a small share of goods imported by Ukraine (mostly medicines and goods not produced in Ukraine).

Payment for Turkmenistan's gas is made according to the value agreed in January 1994: $55 for 1,000 cubic meters. Taking into account transit services of the Russian "Gazprom" and the Ukrainian gas transport organization the "Ukrhazprom" joint stock company, 1,000 cubic meters of Turkmen gas costs the corporation $62-63.

According to the "Respublika" corporation, Ukraine's debt at the beginning of September 1994 was $671.9 million for 1993 deliveries, of which $224 million is subject to payment in hard currency, and $447.9 million in goods. The debt for supplies in the first half of 1994 is $309.44 million, of which $108.3 million is to be paid in freely convertible currency and $201.14 million in goods.

In fact, according to "Respublika," Ukraine has paid $56.7 million, $18 million by Ukraine's Ministry of Finance, $12.8 million by "Ukrhazprom," and $25.9 million by "Respublika" (before the intergovernmental agreement was concluded "Respublika" paid $154 million in goods).

After partial payments, on 1 September 1994 Ukrainian debts to Turkmenistan were valued at $855.07 million (275.6 million karbovantsi) to be paid in freely convertible currency and 579.47 million karbovantsi [as received] in goods. For its part "Respublika" has still not paid "Ukrhazprom" joint stock company for the transportation and storage of Turkmen gas.

In March 1994 "Respublika" assumed obligation for paying Ukraine's debts for supplies of energy carriers from Turkmenistan in 1993-94. These obligations were passed to "Respublika" in accordance with an agreement between the governments of Ukraine and Turkmenistan "On the procedure for payment of Ukraine's debt for 1993 and payment for the supply of natural gas in the first half of 1994." "Respublika" is not publishing a financial account of its activity.

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National Affairs

Kuchma on Need for Discipline at Cabinet Session

LD1410185794 Kiev UT-1 Television Network in Ukrainian 1700 GMT 14 Oct 94

[FBIS Translated Text] The Cabinet of Ministers of Ukraine held its session today, attended by Ukraine's President Leonid Kuchma. The president again focused the attention of the government on the necessity to strictly abide by the course outlined in the report and the appeal to the Supreme Council of Ukraine, and on the necessity to work out specific measures to implement the president's new socioeconomic strategy. He emphasized the need to consolidate the discipline of performance, responsibility of ministers and heads of state committees for the state of affairs in the industries which they head. It was pointed out that in the near future personnel reshuffling would take place aimed at consolidating the government and raising its efficiency. The leaders of a number of departments will be dismissed.

Leaders of ministries and departments were obliged to give explanations in connection with unsatisfactory preparations for the winter and a shortage of the required energy resources. Nine million tonnes of coal and over 800,000 tonnes of mazut are still needed to achieve the required minimum.

The government was sharply criticized for upsetting the settlement of accounts with Turkmenistan for the gas delivered to Ukraine, and for Ukraine's failure to fulfill its obligations before that state, which had a negative affect on the international prestige of Ukraine and complicated the internal economic situation.

As a result of incompetent, dubious decisions, Ukraine's debt to Turkmenistan for the gas delivered will exceed 1 billion dollars by the end of the year. Instead of 28 billion cubic meters of gas, only 12 billion will be delivered to Ukraine from Turkmenistan.

The work of the government commission, which was set up to study and resolve the complicated issues in the coal mining industry, was declared unsatisfactory. Meanwhile, the problems facing miners are accumulating in the sphere of remuneration of labor. Chaos is reigning in the industry.

Repeated increments in payments were intended for those who work under the surface, although, in reality they have been ever more often applied to office workers. The president demanded that an end be put to such an unsubstantiated correlation in remuneration of labor, and that it be brought into line with the importance of miners' work for society.

It was pointed out that [word indistinct] of the economic situation the government has no right to make populist decisions, which only aggravate the atmosphere in society and further deteriorate the financial and monetary sphere.

This was a report by the press service of the president of Ukraine.

Kuchma Comments on Possible Reshuffle

LD1510111294 Kiev UNIAN in Ukrainian 0900 GMT 15 Oct 94

[FBIS Translated Text] Kiev—"An act of courage!" was President Leonid Kuchma's reaction to First Deputy Prime Minister Valeriy Samoplavskyy's letter of resignation, in which he asked to be reappointed to his previous job of forestry minister.

Speaking at a meeting with ministers and heads of departments at the council of ministers on 14 October, the president of Ukraine stressed that he had put no pressure on Samoplavskyy. Kuchma reminded the government officials: "Every minister, and not only the prime minister or president, has to feel responsible for the state of affairs in his sector." The president confirmed his intention to cooperate with the government.

He did not rule out a further reshuffle of the cabinet of ministers, which would proceed "according to performance." Specifically, he spoke in favor of appointing a new deputy prime minister in charge of the military-industrial complex to reform the defense industry.

The Ukrainian president described his speech "Down the Road of Radical Reforms" at the Supreme Council as "a strategy, a concept, even a school of thought, if you like." Kuchma warned that failure of the macroeconomic stabilization program could pose a threat to Ukraine's statehood.

Speaking at the meeting, Valeriy Samoplavskyy urged an end to the media-stirred discussion of whether Vitaliy Masol's government was capable of implementing the president's program. He said that the first deputy prime minister had to be "an expert in economic reform" and lead the "reform headquarters."

Leonid Kuchma agreed, suggesting a new post of first deputy prime minister for economic reform. Ukraine's Prime Minister Vitaliy Masol was previously known to oppose the idea.

It is expected that the Ukrainian president will sign a decree releasing Valeriy Samoplavskyy from the post of first deputy prime minister on 17 October.

Coalition Government Formed in Crimea

LD1410172894 Moscow INTERFAX in English 1449 GMT 14 Oct 94

[FBIS Transcribed Text] A coalition government has been formed in Crimea. Crimean Parliament Chairman Sergey Tsekov told Interfax that taking part in the Cabinet's formation were the Republican Party, the People's Party, and Crimea's Economic Revival Party.

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He believes such cooperation was made possible by the accord reached between the Crimean parliament's factions.

"Five factions of the six realized that there is no time to delay in forming a new cabinet," Tsekov said.

Edict Encourages Public Patronage of Naval Forces

AU1710094994 Kiev HOLOS UKRAYINY in Ukrainian 12 Oct 94 p 3

["Ukrainian Presidential Edict on Organizing Patronage of Ships of Ukraine's Naval Forces" signed by President L. Kuchma in Kiev on 7 October]

[FBIS Translated Text] Attaching great significance to the fastest and most comprehensive development and strengthening of Ukraine's Naval Forces, continuing the historical traditions of patronage of the fleet, and for the purpose of resolving in time the social, everyday, material, and cultural problems of sailors, I resolve as follows:

1. To support the initiative advanced by the Committee for Issues of Social Protection of Servicemen subordinated to Ukraine's Cabinet of Ministers, by a number of executive committees of town and rayon councils of people's deputies of Dnipropetrovsk Oblast, and by the Kirovohrad Oblast Administration and City Committee for Issues of Young People regarding patronage of the ships "Ukrayina" and "Slavutych," and the patrol combatant "Hryhoriy Kuropyatnykov."

2. To recommend that chairmen of oblast, Kiev, and Sevastopol city councils of people's deputies and the executive committees headed by them, taking into account the experience available in this undertaking, organize patronage by labor collectives, social and humanitarian funds, youth and other institutions and organizations over specific ships and other subdivisions of Ukraine's Naval Forces.

The list of ships and other military subdivisions for which patronage may be established is determined by the command of Ukraine's Naval Forces.

To consider it expedient to render, by way of patronage, assistance to military commissariats in military and patriotic training of pre-conscripts about to be drafted into the naval service, to conduct measures for organizing cultural recreation for sailors and officers, for providing ships and military subunits with foodstuffs, fuel, lubricants, and material and technological resources, and also for resolving problems of housing, communal services, and other social problems encountered by sailors (employment for members of their families, arrangement of places for their children in kindergartens, granting of plots of land to them to build private houses, gardens, kitchen gardens, and so on).

3. The command of Ukraine's Naval Forces, proceeding from the principles of the inviolable unity between the people and the Armed Forces, must create the necessary conditions for patronage of ships and other subdivisions of the Naval Forces and promote the establishment of permanent patronage ties with labor collectives, youth institutions, organizations, and public associations.

Ukrainian President L. Kuchma
Kiev, 7 October 1994

Ukrainian Satellite Launched From Plesetsk

LD1610222294 Kiev UNIAR in Ukrainian 2215 GMT 16 Oct 94

[FBIS Translated Text] [No dateline as received] The Ukrainian "Okean-01" satellite has been launched from the Plesetsk space-vehicle launching site in northern Russia. The satellite was made at the "Pivdenmash" [southern machine-building plant] production association, which also made the "Proton" rocket that launched the satellite. It will conduct observations largely of an ecological nature which be will passed to interested departments of our country.

'Leftists' Seen Losing Majority in Parliament

WS1710130394 Kiev UKRAYINA MOLODA in Ukrainian 7 Oct 94 p 3

[Article by Vyacheslav Pikhovshek, director of the Ukrainian Independent Political Research Center: "New Alignment in the Legislative Branch"]

[FBIS Translated Text] There is the following Ukrainian paradox: Since all Ukrainian democratic forces, which were fighting for a renewed parliament, became sad having finally "renewed" it, all hopes for democratic political changes are apparently embodied by President Kuchma, against whom everybody who call themselves democrats fought during the presidential election. Now, while democratic forces are preoccupied with fruitful work in the area of establishing party blocs and funds for children's art, a majority of the Ukrainian Supreme Council is waiting for a possibility to find a common language with the new president.

The three sharks of Ukrainian politics—Kuchma, [Prime Minister] Masol, and [Supreme Council Chairman] Moroz—are trying to convince our society of their unanimity. "Although one should not expect cloudless relations between the legislative and executive branches," Leonid Kuchma stated at a meeting with newly elected deputies, "we are not in a state of war, and we will not come to such a state, despite the fact that certain organs of the media are presenting these relations in this way." The president was backed by Oleksandr Moroz. "The desire of certain political forces to drive a wedge between the highest branches of power requires admiration," he stated at a solemn meeting devoted to the third anniversary of Ukrainian independence. I would like to prove that Moroz has changed his views in just six months: "Let us look at the former Cabinet of

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Ministers—such 'new-Ukrainians' as Kuchma, Yevtukhov, Lanovyy, or Serbin... Those who ruined our state are currently in power," he stated at the Third Congress of the Socialist Party of Ukraine held on 18 December 1993.

The only reason behind the speaker's idyllic attitude to the president is the holiday, which, due to our ailing electoral law, takes place every six weeks in Ukraine—the elections for people's deputies. The Ukrainian parliament has been reinforced by 59 new deputies—a quantity that turns into quality. The incomplete parliament, the one that elected Moroz as its speaker and suspended privatization, comprised the following number of representatives of various factions: 38—"Center," 27—Rukh, 26—"Unity," 86—"Communists of Ukraine for Social Justice and Power of the People," 33—"The Agrarians of Ukraine," 27—"Reforms," 25—"Socialists," 26—"Statehood," and 26 representatives of the Interregional Deputy Group (MDH). Additionally, there were 26 unaffiliated deputies, including such well-known politicians as Ruslan Bodelan, Yuriy Buzduhan, Oleh Vitovych, Eduard Hurvits, Vitaliy Masol, or Stepan Khmara.

There were 144 "pure leftists"—socialists, communists, and agrarians—in parliament. Although the leftists were joined by certain members of "Unity" and "Center," as well as by independent deputies while voting on specific issues, they never managed to gain more than 180-185 people's deputies. Around 150 deputies opposed the leftists during various votes.

Although as a result of the latest elections the leftists have been reinforced by four communists and eight agrarians, a majority of newly elected deputies will obviously join "non-leftist" factions. Given their positions demonstrated before the elections, it is possible that their affiliation will be as follows: 24—"Center," 2—Rukh, 1—"Unity," almost 10—"Reforms," and 1—"Statehood." A new policy of the Ukrainian parliament will thus be set by the following alignment of forces: 61—"Center," 29—Rukh, 27—"Unity," 90—"Communists of Ukraine for Social Justice and Power of the People," 41—"Agrarians of Ukraine," 37—"Reforms," 25—"Socialists," 27—"Statehood," 27—the MDH, and 32 or 33 unaffiliated deputies.

The leftists will thus have no majority: Approximately 156 deputy seats will be in their hands. They will be opposed by 210- 230 votes. If the voting on Moroz' candidacy to the office of parliament speaker had been held today, the former socialist leader would have had no chance.

Given the current alignment of votes, it is not impossible, though uneasy, to form a centrist majority in the Ukrainian Supreme Council. The president's course on economic reforms will undoubtedly be supported by certain independent deputies, the "Reforms" faction, and the MDH, and because Dnipropetrovsk Oblast Council Chairman Petro Lazarenko has become the leader of the "Unity" faction and the president has issued the edict "On the Council of the Regions," the number of deputies supporting Kuchma may increase to 90 people. If the presidential team manages to hold successful negotiations with the "Center" faction (which may be a quite difficult matter in light of the election of former president Kravchuk as people's deputy) and Rukh, as well as to convince certain pragmatics from the "Statehood" faction (at least those who are not a priori convinced that everything Kuchma does is wrong), the establishment of such a majority may be considered a promising direction in the work of Kuchma's team.

It is not only important that Oleksandr Moroz has become more flexible and less antagonistic with regard to the president's actions, given such an alignment of forces in parliament. The establishment of such a majority in the Ukrainian Supreme Council may resolve the primary issue—to provide a legislative foundation for economic reforms, which can hardly be introduced by Leonid Kuchma and his edicts alone.

Agriculture Expert Views Lvov Oblast Crops

WS1710125894 Lvov VYSOKYY ZAMOK in Ukrainian 4 Oct 94 p 2

[Report on an interview with Ivan Stefanyshyn, deputy manager of the Lvov Oblast Executive Committee Main Directorate of Agriculture and Foodstuffs, by Andriy Didenko; place and date not given: "Although the Crop Is Not Big, We Must Harvest On Time"]

[FBIS Translated Text] One of the principal activities at the moment is the reaping of sugar beet, pointed out Ivan Stefanyshyn, deputy manager of the Lvov Oblast Executive Committee Main Directorate of Agriculture and Foodstuffs. In September, we were lagging behind the draft schedule. In a number of farms, especially in Radekhivskyy and Zhydachivskyy rayons, appropriate equipment has not been prepared in a proper manner. Certain farm managers do not rush to reap sugar beet, waiting for the latter to grow and gain weight. In the oblast in general the lag from the schedule is 15 percent, while in Radekhivskyy and Brodivskyy rayons—60 percent.

Incidentally, Sokalskyy rayon harvested with a significant delay in 1993, which produced dramatic losses of the product. The bitter lesson did not pass unnoticed, and the tempo of Sokalskyy rayon farmers' work is currently high. Because of a delay in raw material supplies, processing of sugar beet by processing plants started a week later than initially planned.

There are many opportunities to observe the schedule and harvest sugar beet within an optimal period of time. While in the previous years farmers did not hurry to complete harvesting before frosts, this year, in light of the warm weather (according to forecasts, it will stay warm in October, too) and a lower rate of rainfall than the norm, farmers should not linger, for sugar beet will

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lose its quality. In many farms, sugar content of beet is lower than the accepted norm of 16 percent. Thus, we are going to suffer significant financial losses.

According to a contract, the oblast is to deliver 900,000 tonnes of sugar beet to the state. We have the potential to fulfill the contract. While Ukraine's average harvest of sugar beet so far has been 196 quintals per hectare, in Ternopil, Rivne, and Khmelnytskyy Oblasts it is 200 quintals per hectare, in Lvov Oblast it is 259 quintals per hectare. We are planning to complete harvesting by 25 October.

The situation with sowing winter crops is not quite normal either. In fact, a situation similar to that in 1993 has reoccurred. Winter crops have been sown only on 65 percent of the planned areas. We are doing everything in our power to carry out this work within an optimal period of time and make sure that the seeds develop normally before winter. In 1994, such an optimal period in our oblast is believed to be by 10 October. However, many farms fail to observe this schedule. Sowing should be completed earlier in Drohobytskyy and Starosambirskyy rayons, which are in the mountain zone, but it has been completed on only 40 percent of the areas.

The worst situation is in fall plowing. We are lagging behind our neighbors approximately by 5 to 10 percent. The tempo of work is especially low in Pustomytivskyy, Sokalskyy, and Starosambirskyy rayons. In 1993, Pustomytivskyy rayon farmers had more land to plow in spring than anybody else in the oblast, which had a negative effect on the harvest. They have a similar situation now. The principal cause behind it lies in the lack of fuel, lubricants, and so on.

This year, the average potato crop in Ukraine has been 77 quintals per hectare, while in Lvov Oblast it is 81 quintals per hectare. Needless to say that this is a low figure. Still, we will have potatoes and there will be no major problems with vegetables. We must harvest on time, and prevent both quantitative and qualitative losses.

I would like to say that our farmers are working efficiently and we cannot demand more from them under the circumstances. They have sold 168,000 tonnes of grain, while the contract envisioned 130,000 tonnes, and sales are continuing. Meanwhile, they have not yet been paid for the grain sold in excess of the contract, and the prices for fuel, mineral fertilizers, and the like, have grown again. The financial incentive has been wasted, and people are losing confidence in the state.

No matter what, we hope to complete field work by 1 November.

Government Preparing for Sharp Price Increases

WS1710132194 Kiev VYBIR in English 1017 GMT 17 Oct 94

[Report by Viktor Tkachuk]

[FBIS Transcribed Text] Following the IMF demands, the Ukrainian Government is going to sharply raise prices. The Cabinet's plans are specified in "secret" memorandum on understanding with the IMF. This sort of "protocol on intentions" was signed by the Ukrainian economics minister and the head of IMF expert mission. Even at this stage, the protocol is sharply criticized by the parliament.

According to the memorandum, starting from this month, the government will decrease the subsidies for bread, energy and services. The bread price will grow 4 times, transport fare—6 times, rent and municipal services—7 times. Coal price for manufacturers will increase by 72 percent, energy by 50 percent.

According to Deputy Economics Minister Naumenko, such steps will help the government "to improve the loss compensation indicators". This means that the growth of retail prices will help the state to decrease both the subsidies for consumer goods and budget expenditures.

As a result, the loss compensation indicators will grow as follows:

November:

rent (municipal services)—15 percent; city transport fare—15 percent; electric energy—10 percent; coal—16 percent.

December:

rent—9 percent ; fare—9 percent; energy—5 percent; coal—8 percent.

The next growth of the state-funded prices will start from January 1, 1994. The subsidies for bread and coal will be canceled, for rent, transport and energy will be gradually decreased. The following will be the price growth:

January: rent—200 percent; transport fare—205 percent; energy for producers—74 percent.

February: rent—10 percent; fare—10 percent; energy—5 percent.

March: rent—6 percent; fare—6 percent; energy—6 percent.

According to the memorandum, such strict price policy is required to reduce the budget deficit to 3-4 percent of GNP in 1995. This is the condition of receiving the IMF credits. The first credit will be to the tune of $360 million.

Be that as it may, such policy will badly hit men in the street. So far, the government tells the public nothing about the memorandum. Economics Minister Shpek and his Deputy Naumenko prefer to give no direct answers to the questions about the price rise. Despite that, the day will come when everybody will know about the government's plans. It is hard to predict possible reaction of the public.

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Meanwhile, taking advantage of silence on the part of the president and government, communists and socialists sharply criticize the memorandum using their favorite slogan of social protection. Their criticism reached climax when the government distributed the memorandum in the parliament on September 20. The planned price growth effect will greatly exceed that of the undermining the karbovanets exchange rate triggered by the emission to agricultural sector initiated by the left-wing parliamentary factions. Addressing the parliament, President Kuchma never mentioned the plans to raise prices. His arguments to support economic reforms are called by communists as demagogic statements. This will continue till the president explains the necessity of price growth to the public at large.

Unlike the government officials, men in the street know nothing about the IMF and its achievements in assisting other countries in the state of crisis. Did Poland overcome the crisis due to IMF credits? How long will prices grow? What'll be the size of social help? No answers, so far...

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Belarus

Prime Minister Meets With Gore

WS1410143994 Minsk Radio Minsk Network in Belarusian 1300 GMT 14 Oct 94

[FBIS Translated Text] Belarusian Prime Minister Mikhail Chyhir met with U.S. Vice President Al Gore at the White House in Washington. The sides have discussed the situation of and the prospects for the future development of relations between Belarus and the United States during a businesslike and sincere talk held in a friendly atmosphere. Vice President Al Gore has favored the development of close and fruitful contacts with Belarus, the new leaders of which are making decisive efforts to speed up economic reforms.

Belarusian Prime Minister Mikhail Chyhir has also met with the secretary of agriculture, the president of the Corporation for Private Investment Abroad, and the leadership of the Department of Commerce and of the Agency for International Development. Possible technical cooperation and assistance with conversion, oil processing, agriculture, and the establishment of a modern pharmaceutical industry in Belarus have also been discussed.

The Belarusian prime minister has spoken about measures taken by the incumbent president and the government to attract foreign investments to the Belarusian economy during a meeting with U.S. representatives of business circles. The visit by Belarusian Prime Minister Mikhail Chyhir to Washington continues.

Two Russian Military Facilities To Remain

MM1710092094 Moscow KRASNAYA ZVEZDA in Russian 14 Oct 94 p 1

[BELINFORM-TASS report: "Russian Troops Leave, But Facilities Remain"]

[FBIS Translated Text] Following the Russian troops' final withdrawal from Belorussia [Belarus] next year two Russian military facilities will remain on the republic's territory—stations near the cities of Baranovichi and Vileyka. One is a space defense station, the other feeds radio signals to surface ships and submarines in the Atlantic and Mediterranean.

Belorussian Defense Minister Anatol Kastenka noted that the text of agreements on the status of the Russian military facilities on Belorussian territory is currently being formulated.

Lukashenka Interview on 'Live Dialogue'

[FBIS Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1200 GMT on 15 October carries the 40-minute "Live Dialogue" program, in which Belarusian President Alyaksandr Lukashenka in Minsk appears in a live satellite link with journalists in Moscow. Program moderator Andrey Skryabin in the Moscow studio introduces Lyudmila Telen, deputy editor-in-chief of the MOSKOVSKIYE NOVOSTI newspaper, and Radio Mayak commentator Yuliy Semenov.

After the preliminary introductions Skryabin invites viewers to phone in their questions; Semenov asks what it is like to be the first president of Belarus, and whether presidential rule is suited to the country. Lukashenka says he does not want to become involved in an abstract debate. He says that the time for presidential rule has come and that there is no alternative; one man is now in charge, avoiding the vagueness of dispersed power.

Lukashenka continues: "The question you asked is, perhaps, better addressed to Lukashenka the man, since the answer is an emotional one. Whenever I was asked the question, I would say to people: What are you congratulating me on? After all, you don't know what it is to be president. I must tell you that it is a terrible burden."

He adds: "If we move to the heart of the matter, it is a very heavy burden. It means sleepless nights. It's a shock to the nervous system. It means opposition, which is frequently unconstructive. It means moments when you want to do something and you think you're right, and the whole people wants it, but today it doesn't depend on you, and you can't do all that. In short, a whole siege takes shape around you."

He goes on to state that Belarus, like Russia, is experiencing hard times; it will take time to attain stability, but it will be more easily achieved together than separately.

Telen asks about the abolition of the town and rural soviets. Lukashenka details the various administrative changes. He says he is not an enemy of the soviets, he is simply applying the constitution. He notes that there was an objective need to abolish redundant bodies such as the rural soviets.

Telen asks whether Lukashenka intends to go further along the path of this reform and to further restrict the soviets' power and the rights of the remaining soviets and to increase presidential power?

Lukashenka replies: "If a new Supreme Soviet or myself, through a national referendum which I have a right to initiate—you are absolutely right there—find it necessary to restrict them I will have to seek the opinion of the nation, or the new Supreme Soviet will have to adopt amendments to the constitution regarding restricting the powers of those soviets. As for the essence of your question, you are absolutely right there, if life poses this problem I will solve it, I will initiate those actions. So far abolishing oblast soviets or rayon soviets and so forth is not at issue. We have first to assimilate this portion of power given to me by the people and the Supreme Soviet. Boris Yeltsin, your president, once said very truly about sovereignty and independence of the regions: Take as much as you can swallow. Here, too, the people and the Supreme Soviet told me: Lukashenka, if you can

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cope, take it! And I did. So far I cannot take more because I will not cope. When the time comes this is one of the issues to which we will return."

Semenov asks: "I have a question about a subject which, one could say, is dear to your heart. You became known in Belarus and everywhere in the CIS primarily as a determined campaigner against corruption. It seems that after you came to power for a while the lightning was striking above the heads of some people. However now, maybe mistakenly, one has an impression that some lull has set in. Is the struggle against corruption slowing down in Belarus, just as has happened in some other states with their leaders?"

Lukashenka replies: "First of all I am offended, disgusted, and worried by the fact that both Belarussians and Russians are badly informed about what happens in each other's state. We have sunk so low, forgive me, that even the president sometimes receives the press two days after it comes out in Moscow. I am not even talking about some scientific magazines about which I get a lot of complaints. We have cut links so badly that there is insufficient information available. Therefore your question suffers from the fact that you are simply insufficiently informed about the events here, including issues concerning corruption.

"As for your implication, Yuliy Aleksandrovich, unlike other politicians with whom you are trying to compare me, Lukashenka is a very consistent person, forgive me for my immodesty, including in the struggle against corruption. We are in no rush today. I have enough power and human resources today to very seriously sort out all the signs and elements of corruption. We have an anticorruption committee. Just think, we have been in power in effect for two months but the committee has already been set up. It operates as a control service, in effect a state and presidential control service, which already has its own structures in the oblastsk, too. It has started work first of all along directions outlined by the commission at the time - the anticorruption commission which I headed before the elections for two years. We are completing inspection of areas we did not have time to cover then; as you know then we did not have enough power to complete that inspection and to take relevant measures. The study of problems has virtually been completed.

"Today the president has set up a large control group which is studying the situation in all the six oblasts and the city of Minsk. Now we are working in Vitebsk, yesterday I heard a report from the head of that large group, my special aide Kuchynskyy. We have started those attacks along a wide front.

Do you know who most of all rejoices over our active struggle against corruption? The Russians, first of all Russian entrepreneurs who want to carry out honest and decent work on our market. There are a lot of those willing to do that. One does not have today to make an appointment with a bureaucrat and bribe him with dollars. It is enough today to propose a contract. The president has time to study the problem too. In that respect we may be even ahead of other former Soviet republics. Therefore the fight has not been folded at all."

He adds that people's main fear is of the mafia, which if not combated will crush the economy and the state itself.

A viewer in Minsk reproaches Lukashenka for creating traffic jams on his way to work in the morning. Lukashenka replies that this cannot be true since there is not much traffic in Minsk anyway, due to the high gasolene prices.

A viewer from Moscow asks: "The Brest customs is the shop-window of Belarus. How can the president allow violence from bandits on the roads leading to the customs?"

Lukashenka says: "I do not want to reveal all my cards here and now but we have started a most active fight on the roads against racketeers and bandits who target this busy route, among others. Two bandits were caught not so long ago in the area where I come from on the Leningrad-Odessa route, which happens to pass through my birth-place. There was shooting, a militiaman was injured, the bandits too were injured. There is very intensive fight against them now. The minister for interior starts his working day with a report to the president on the situation on the roads. Believe me, over the next year we will catch bandits who were born not only in Belarus but also in Russia, in Moscow, and who today thrive on preying on our roads. There are a lot of them. I promise this to you, including the Russian people who travel through our territory now, or who will travel through in the future. I guarantee this to you too."

Lukashenka then replies to a viewer from Minsk who enquires about the possiblity of a personal audience and another who complains about financial problems.

Next, Skryabin asks: "Let me embark on economic questions. I will put a question myself if my colleagues do not mind. In the most general form. The president and the government have proposed to the parliament a program of urgent anticrisis measures. That program as far as I understand has been adopted. However I understand that although the program has been adopted, many laws and good resolutions are adopted here too, but what is needed is their implementation. In my opinion one of the conditions of such implementation is a certain amount of power and authority of the people who are going to implement them. You as the president have not been given the right to amend the Belarusian legislation by issuing edicts. What is your attitude to this circumstance?"

Lukashenka states: "I have a negative attitude, Andrey Georgiyevich, very negative. I would like to correct you slightly - for the information of Russian viewers since Belarusians already know it - it was not a program so much which we have adopted but a package of urgent

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priority measures to halt the fire which has been raging in the economy for over a year and to achieve some degree of stability if we can—and I believe we will after all.

"However, I do not expect to achieve that without closer links with first of all Russia, Ukraine, Kazakhstan, and other former Soviet republics. A lot depends on that too. Therefore this is a package of urgent measures which we should implement today. This is why the question on privileges which was made earlier sounded totally out of tune with the program which we have adopted. We are not going to extend privileges to anybody else. We are lucky if the budget can cope with the current ones. Therefore the program is somewhat tough on people, although they understand it. We cannot expect that somebody will feed us free of charge while we are idling or working without selling the products of our work, i.e. producing unwanted goods.

"As for the main part of your question, that the Supreme Soviet unfortunately has not given me the power to implement the program by edict, I would like to inform you on that issue. I wanted the problem to be solved calmly. Our constitution allows the president not to comply with edicts adopted earlier which contradict the new constitution. Thus, the president in effect has the right to abolish such laws. Since the new constitution radically differs from those adopted laws, the Supreme Soviet did not have time to bring the legislative base in line with the constitution. Therefore I asked for the possibility to regulate by edict all the problems connected with our program. The Supreme Soviet was naturally afraid to give me those powers and under pressure first of all from the opposition refused to give them to me. However, it switched over to a permament work schedule, meaning that it is always functioning.

"So four days ago I addressed the Supreme Soviet with a request to adopt immediately approximately 50 normative acts to enable the program to work. I think that the Supreme Soviet will understand that it cannot cope with such a volume of work. We need today strict short deadlines for implementation of the program which is already operational and must be working. I think they will grant to me such a right, having realized their mistake."

Telen asks: "Alyaksandr Rygoravich, you were talking about fighting corruption by force but, as is known, the main soil on which it thrives is state interference with the economy. However, in your election program you promised to strengthen the role of the state in the economy, i.e. to strengthen the role of bureaucrats. How does this match your slogan of fighting corruption?"

Lukashenka replies: "They match well, Lyudmila Olegovna. Life is a search for a golden mean, which is exactly what I am doing—as are your leaders, especially lately. I have never argued that you have to fight corruption by economic legislative measures."

He continues: "We wanted to wage a struggle against corruption on the basis of the law but the Supreme Soviet was not at the time interested in taking more radical legislative measures for fighting crime. Tell me please what would you have done in my place in such a situation? Of course, having obtained power and the constitution you would be trying to do it, including by force, i.e. by edict. However we are not abandoning economic methods either and the main problem there is that many of our laws have been created on the principle of a voluntary system - if I want I will give permission, if I do not feel like it then I will not.

"It is not a registration system where if a person wants to engage in a particular business, all he has to do is to report about it to the tax inspection. But, Lyudmila Olegovna, such a level has to be achieved. We are at a certain transitional level when the old has not died yet, but has become stronger, and the new has not developed yet. This is life and one cannot escape it.

"And the last point in answering your question: I did not speak for some totalitarianism on the part of state bureaucrats in the economy. Far from it. I was speaking about state rule, including in the economy and in society on the whole."

Next, Semenov says: "I was at your first news conference after the second round of the presidential elections in Belarus. Already then I understood, now everyone must have realized it too, that you are one of the people with whom one must be very attentive and react quickly to all the implications. Therefore my question is quite naive. Among the measures you announced is curbing inflation in Belarus. Everyone must be interested to find out how you intend to do that."

Lukashenka replies: "Yuliy Aleksandrovich, you are right, you should be attentive, including when asking this question. What can one do, this is life, one has to be decisive as they say, especially with journalists with whom I too have to be attentive. The worst evil in Belarus as well a in other republics probably too is inflation. This is rust which eats into the income of our people. If there was no inflation life would be different. You know we have not invented anything new. In order to overcome inflation one has to work, to create material wealth, to sell it and to be paid for it accordingly. Not to be paid for nothing, but to earn wages. It used to happen a lot before, now too but not as often. Yes, we were producing goods but nobody was buying them and they were piled in warehouses. It is an axiom, a micro-level from which I am not going to deviate. Secondly, one should not print empty money: If there are no goods today, then no need to switch on a printing machine in Russia, to order this money and bring it here.

"You have asked me about some taler, whether there will be taler in Belarus. I can guarantee to you that whatever we are going to have it will not be talers.

"I have strayed from the subject there. To suppress inflation we have to stabilize the ruble. To stabilize the

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ruble - it is simply a problem of relations with Russia. We have to buy less and to sell more - the problem of export and import. There are also many other problems. Therefore I am not going to invent a wheel, as they say, I am going to fight inflation using the same methods as all civilized states, including Russia."

Skryabin next reads several messages of support from viewers, saying there has not been a single discouraging message.

Viewers ask whether Lukashenka prefers to be addressed as "Sir President" or "Comrade President."

He says: "This is not the first time that I have been asked this question. I will tell you honestly, maybe it is characteristic of me, but it grates on my ears. I have not yet become a sir and I may never become one. The paradox of our life is that everyone has become a sir. Therefore I do not particularly favor this form of address. People call me that, maybe it is convenient for people. Maybe it is really more civilized like that. But I do not pay attention to it. I am used to the word "comrade". Why should I hide it? It is not some nostalgia or pro-communist convictions. "Comrade" is closer to me, I have been raised with it. Therefore let people not judge me too hard and let those politicians who do not like my answer not disapprove too strongly.

"As for the first part that people admire me and say that I am an honest person— not everyone does, in Moscow too. As for being honest, I can only tell you in a rhetorical manner that I have nothing else to do. If you cannot make significant progress in the economy you at least have to be honest with your own people.

"Second, honesty has never been a negative quality and never has spoiled a person. As for being close to people, I have not had enough time to drift away from them and God forbid that I should do that.

"And the last point: I have just come back from Soligorsk... Believe me, sometimes life is so hard that only people can comfort me. I went underground with miners, crawled around the quarries there, looked at how they extract their ore and returned from there already a cured person. Therefore people do heal."

Telen asks: "Alyaksandr Rygoravich, as is known you spoke against ratifying the Belaya Vezha agreements at the time. Do you think that it is realistic to create a union today in a closer form than the CIS?"

Lukashenka replies: "Thank you very much, Lyudmila, I can see that time is running out. If it was in my republic I would not be able to keep to schedule. You organized it very well and I am very grateful to you for that. Belarusian journalists will now again take offense: They reproach me by saying that with Russian journalists I always find a common language. In general it is to your credit.

"As for the Belaya Vezha agreements, I must say that, yes, I was the only one in the Supreme Soviet who voted against them. And today I do not regret at all that I did it. We did it too early and much too early. Even if it was not too early, nevertheless we have not created anything equivalent in its place. But the CIS is real, there is nothing better. It is the only structure that links and unites us today. And during a meeting of heads of state on the 21st I will insist on just one thing: first of all our agreements within the framework of the CIS must be implemented and, second, we should become closer within the CIS and must fill it with concrete meaning.

"I can indicate the way: One should not build from the top some new unions, confederations and federations - one should proceed from reality, from the economy and people's lives. By solving economic, human and moral problems we will come across political, military and strategic problems. Life will brings all of us to solving those problems after we understand that we will not be able to get out of the situation by oneselves, then we will start solving political problems too. Believe me that such a path will eventually lead us to a federation, a confederation or a union. Life itself will create such a union and show whether it will be more integrated or looser. But one should proceed from life and not from the top. You asked me a commonplace question, just as all politicians like it - from the top - confederation or federation? I am for strengthening the CIS and for progress withing the CIS and for filling that commonwealth with concrete meaning."

Lukashenka Addresses Miners

LD1410194594 Moscow INTERFAX in English 1700 GMT 14 Oct 94

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Alyaksandr Lukashenka expects "to entirely normalize" economic relations with Russia and Ukraine "next year." He declared about this at a meeting with the Soligorsk miners on October 13 and stressed that there should be no illusions that "Russia, which is in a difficult situation itself, would maintain and feed somebody to no purpose." He mentioned the recent disastrous fall of the Russian ruble rate which, as he thinks, will result in a sharp increase of retail prices for different goods.

At a meeting with journalists first deputy Foreign Minister Valeriy Tsepkalo reported that from the organizational point of view Belarus is ready to hold a Belarusian-Russian summit. In particular, he said that a draft of a bilateral agreement on good neighborhood, cooperation, and mutual assistance had been prepared for signing. Tsepkalo reassured that if the Russian Foreign Ministry reports about the readiness of the Russian party then only a few days will be needed to prepare the summit.

During his meeting with miners Lukashenka underlined that in the sphere of its foreign economic relations

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Belarus would head for not only post-Soviet states but for the countries of the former Council for Economic Assistance as well.

Deputies To File Suit Against Lukashenka

LD1310211294 Moscow INTERFAX in English 2022 GMT 13 Oct 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Supreme Soviet experts say that the steps undertaken by President Alyaksandr Lukashenka to reform the authority structure in Belarus have resulted in elimination of 91 percent of all existing soviets of people's deputies and making 73 percent of local legislators redundant.

Under that reform, only the Supreme Soviet, six regional, 117 district (rural) and 102 town and city soviets will be retained while 64 soviets in towns subordinated to districts, 25 district soviets in cities, 109 township and 1407 village soviets will be eliminated.

Parliament sources say that a group of deputies will raise the issue of unconstitutional elimination of the soviet power in Belarus at the Supreme Soviet session on October 17. They also intend to file a case against Lukashenka in the Constitutional Court.

Dismissed 'Malcontents' Pose Threat to Lukashenka

MM1310134894 Moscow KRASNAYA ZVEZDA in Russian 12 Oct 94 p 3

[Report by Valeriy Kovalev: "'You Are Wrong, Mr President.' Sacked Generals Join Opposition to Belorussian Head of State"]

[FBIS Translated Text] Minsk—At the start of September, as we know, Belorussian [Belarusian] President Alyaksandr Lukashenka issued an edict dismissing Lieutenant General Yevgeniy Bocharov from the post of commander of the Republic of Belorussia [Belarus] Border Troops because of the unprecedented case of the illegal crossing of the state border in the Grodno region by 67 Asian and African migrants. This action completed the replacement of the leadership of all the republic's power ministries and departments (let us recall that previously Defense Minister Pavel Kozlovskiy, Interior Minister Vladimir Danko, KGB Chairman Gennadiy Lavitskiy, and almost all of their deputies had been dismissed).

Viewed in the context of the recently adopted Belorussian Constitution there is nothing unusual in such abrupt cadre changes. Under the constitution the whole government stands down after the election of a new president and the head of state chooses his own new cabinet of ministers. That is what Alyaksandr Lukashenka did. However, some high-ranking officers in the power structures took their dismissal very badly indeed. This is especially true of the former defense minister. Apparently the fact that the republic's new leadership "offended" him twice over played a part here. Soon after the head of the military department was relieved of his duties the president issued an edict demoting Pavel Kozlovskiy to the rank of lieutenant general.

After the edict was issued, Kozlovskiy gave interviews to a number of Belorussian newspapers in which he stated that what had happened to him was no more nor less than a "political showdown and obvious revenge-taking by the president." The former minister rejected the corruption accusation leveled against him by Alyaksandr Lukashenka during the election campaign and described as "nonsense" the claim that his son's wedding had been paid for by the state.

The former head of the military department also announced that he would "fight the team which has come to power," including among others his successor who, in Kozlovskiy's words, "is thinking not of the Army's future but of settling scores with me and my former deputies."

The "disgraced" general stated that he intended to stand in the forthcoming republic Supreme Soviet elections, which would enable him to "hold an impartial discussion with those who are guiding policy today." He intends to stand for election in his home region, Pruzhanskiy Rayon, and is confident that the local people will support his candidacy.

It seems that Lieutenant General Yevgeniy Bocharov, former commander of the Republic of Belorussia Border Troops, and Lieutenant General Vasiliy Demidik, former deputy defense minister, will also be swelling the ranks of the opposition to the president.

There are bound to be some other malcontents among those who have lost their jobs. Not only in the power departments. Their number, incidentally, continues to grow—the thoroughgoing cadre reshuffle and the 30-percent reduction of the administrative apparatus are still not over. It is not hard to predict which political camp these people will join. The young Belorussian president should not count on their loyalty. Incidentally, measures were taken recently to reinforce the bodyguard of the head of state and his administration. When journalists asked the reason for this move, Belorussian Interior Minister Yuriy Zakharenko said: "We have information which forced us to take such measures. And I would assure you that this is more serious than you may imagine."

Moldova

Russian Delegation To Finalize Military Documents

AU1410131794 Chisinau BASAPRESS in English 2054 GMT 12 Oct 94

[FBIS Transcribed Text] Chisinau, BASAPRESS, 12/10/1994—Yesterday, a meeting took place in Chisinau

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between Vladimir Kitayev, Russian delegation head at the negotiations on the conditions, statute and terms of withdrawal of the 14th Army from Moldova, and Moldovan experts, told BASAPRESS Nicolae Osmochescu, prime vice minister of foreign affairs. Osmochescu pointed out that Kitayev's visiting objective was to finalize for signing the documents drafted at the last round of Moldovan-Russian negotiations and not "to meet Dniester leaders as Tiraspol officials say." "Russia negotiates with Moldova and not with Dniester," said Osmochescu. The vice minister expressed his belief that at the reunion of the CIS heads in Moscow scheduled for October 20-21 the documents on the Russian Army withdrawal within three years will be signed. At the same time, Osmochescu denied the information launched by some Russian newspapers that a great deal of agreements reached at the 10th round of negotiations on the 14th Army withdrawal were "buried" at the Kitayev-General Lebed meetings.

PSDM Leader Opposes Joining Ruble Sphere

AU1410180094 Chisinau BASAPRESS in English 1930 GMT 12 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 12/10/1994—The collapse of the Russian ruble in relation to the U.S. dollar proves that the "Edinstvo" Movement's options concerning the necessity of Moldova to join the ruble's area are demagogic and oriented against Moldova's statehood, Oazu Nantoi, chairman of the Moldovan Social Democratic Party [PSDM], told BASA. "The collapse of the ruble was quite a shock to the economic entities dealing with Russia. The present government, banking on the ex-Soviet area, has concluded a host of contracts which have already become inconvenient," added Nantoi.

Snegur Interviewed on Foreign Policy Issues

LD1410194694 Moscow INTERFAX in English 1810 GMT 14 Oct 94

["Exclusive Interview" with President Mircea Snegur by INTERFAX—place and date not given]

[FBIS Transcribed Text] INTERFAX: What are the prospects of bilateral accords on Russian pullout being signed?

SNEGUR: I think they are good. We hope to get the package signed during the CIS summit in Moscow on October 21.

We are set to get them signed and so are the Russians. This is the impression I gathered after a recent meeting in Kiev with Russian Prime Minister Viktor Chernomyrdin.

INTERFAX: Who exactly will sign the papers - the two presidents or prime ministers?.

SNEGUR: The basic agreement will be signed by the heads of government who are expected to implement it while the presidents will sign protocol documents.

INTERFAX: Do you believe that progress will be reached in talks with Tiraspol on the status of Transdniestria?

SNEGUR: I did so before, especially after signing a joint declaration together with Transdniestrian leader Igor Smirnov at the end of April.

Regrettably, Tiraspol delayed the formation of a joint team of experts designed to prepare a draft on the status of TRansdniestria because of some local circumstances.

It is no secret that we were at odds with Tiraspol on the region's status before. That is why we continued to work hard over the draft. But I was greatly surprised at a blueprint offered by Tiraspol recently. Its offer does in fact to virtual recognition of a parallel state. Joint participation in international sporting competitions appears to be the only thing Tiraspol is ready to accept. In all other areas, Tiraspol wants a full power sharing, its own army, constitution, interior troops and an independent foreign policy. I find such a position to be totally incoherent. Nor will it be coherent to CSCE representatives or Russia itself.

We made larger concessions to Tiraspol than planned including a local legislature, symbolism and a specific language situation. I think all of this is a big compromise on our side. These are fairly sensible proposals for resolving the problem within the framework of one Moldova.

Now I am sceptical about the prospects of an early solution to the Transdniestrian problem as we achieved with mainly Gagauz regions. But I think we are capable of continuing this dialogue. IF Note: For his part, President of the self-styled Republic of Transdniestria Igor Smirnov in an interview with Interfax described Kishinev's position on the regional problem as being not constructive. He denied that Tiraspol had received any proposals from the Moldovan government. On the joint declaration with Kishinev, he said the peace process stalled at the stage of concrete decision-making at a government level. Smirnov said Tiraspol wants the region to be demilitarized as a way of resolving the conflict and defusing regional tension, but Kishinev disagrees.

INTERFAX: What are the possible implications for relations between Moldova and Romania following Romanian President Ion Iliescu's recent statement saying Moldova is part of Romania. To what extent do you think is true his other statement saying that "one day, we will probably reunify with that territory"?

SNEGUR: Such statements that Mr Iliescu made in an interview with the Italian Correra de la Serra newspaper can only exacerbate the situation and cause a new wave of Romaniaphobia on the ground. And the responsibility

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will rest with the Romanian side which made several such statements in recent time.

Although I am younger than Iliescu as a politician, I know one simple truth: I must do my best to carry out the will of the nation. To bring it home to the rest of the world including the Romanian government, we held an appropriate national poll on March 6 which showed that any dream about unification with Romania has no grounds.

Statements similar to President Iliescu's can be made by people far-removed from Moldovan realities. I am sorry that this should have happened. Once again, we will not be held responsible for such statements though we will have to allay local fears. I wish such efforts were aimed at resolving the problems of integration between our countries.

INTERFAX: What do you expect from the CIS summit due in Moscow on October 21?

SNEGUR: I hope we will at last take decisions within the framework of a CIS economic union to help restore the former economic area, that is, to remove the barrier we put up soon after the declaration of the country's independence. This will open the floodgates to the flow of raw materials to Moldova and commodities back to the eastern market. I hope that the draft agreement on a CIS economic committee will brought to a conclusion and signed in Moscow.

The summit agenda also includes Kazakh President Nursultan Nazarbayev's initiative for the formation of an Eurasian Union. I do not hold with the idea. Let us see how the economic union and the CIS as a whole will work first.

Smirnov Calls Transdniester Position 'Non-constructive'

LD1410211394 Moscow INTERFAX in English 1915 GMT 14 Oct 94

[FBIS Transcribed Text] Igor Smirnov, president of the self-proclaimed Transdniester Moldovan Republic, described Kishinev's [Chisinau] position on the Transdniester conflict as non-constructive. He told Interfax Friday [14 October] that Tiraspol had not received any specific proposals from Kishinev.

Smirnov said that the peace process was stalled at the stage when everything depended on the executive authority.

In his view, a demilitarized zone was a prerequisite for resolving the conflict and easing the tension in the region. Smirnov emphasized that Kishinev rejected Tiraspol's proposals to this effect.

He explained that Transdniester had formed an army because it had no guarantees that hostilities would not resume. He said they were ready to disband this army once such guarantees are in place.

DU Chairman: Leadership Needs 'Urgent' Measures

AU1410130094 Chisinau BASAPRESS in English 2040 GMT 11 Oct 94

[FBIS Transcribed Text] Chisinau, BASAPRESS, 11/10/1994—The present Moldovan leadership deliberately shuns the discussion of some issues among which are the issues of Moldovan schools in Dniester and Ilascu group, Valeriu Matei, United Democratic Congress (CDU) chairman, told BASAPRESS. In his opinion, "in the discussions with Tiraspol, the Moldovan leadership should advance more clearly-stated principles on the destiny of Moldovan Romanians from the Dniester's left bank." The blocking of the railroad by the parents of the pupils from Moldovan schools is an outcome of a reckless policy promoted by Tiraspol; it is also a testimony to the Chisinau authorities' inability to solve the serious problems concerning the preserving of Romanians from Dniestr as an ethnic group, said Matei. The CDU leader also said that the Tiraspol regime could repress the protesters. "The Moldovan leadership has to undertake urgent measures, otherwise the situation is likely to become unpredictable," added Matei. Victor Puscas, minister for relations with Parliament, declared that the government does everything possible to solve this problem, "though it seems that it is insufficient." Puscas implied that the opposition forces attempt to speculate on the situation to blame the ruling party aiming at accumulating political capital.

Tiraspol Agriculture Minister Declared 'Disappeared'

AU1410131994 Chisinau BASAPRESS in English 2054 GMT 12 Oct 94

[FBIS Transcribed Text] Tiraspol, BASAPRESS, 12/10/1994—Today, a new interim minister of agriculture was appointed in Tiraspol, BASAPRESS learned from the Dniester Supreme Soviet. A week ago, Nikolai Podgorodetski, Dniester minister of agriculture, was declared disappeared. It is known that Podgorodetski left for Russia, allegedly for the Krasnodar region where he intended to conduct negotiations on wheat imports for this Russian region. According to the 14th Army newspaper SOLDAT OTECHESTVA (SOLDIER of MOTHERLAND), the minister was carrying $2M cash. Other sources say that Podgorodetski decided to stay in Russia leaving Dniester and its agriculture in a deplorable situation. Referring to the current socio-political situation in Dniester, the 14th Army newspaper says "Dniester is not steered by those who call themselves presidents but by the international mafia. To them, people are nothing but insignificant pawns, obedient executors of their political wishes. Everything is sold and bought. Dniester leaders fear privatization because there is nothing left to be privatized. To cool down the revolted people they organize such shows as demonstrations, festivals and blockades."

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Kazakhstan

Nazarbayev Meets Russian Deputy Premier

LD1410174094 Moscow ITAR-TASS in English 1603 GMT 14 Oct 94

[By KAZTAG-TASS correspondent Yelena Miroglova]

[FBIS Transcribed Text] Alma-Aty [Almaty] October 14 TASS—Kazakh President Nursultan Nazarbayev today met Russian Deputy Prime Minister and State Property Committee Chairman Anatoliy Chubays, who is on an working visit in Kazakhstan now. They had a face-to-face talk.

On the same day Chuabays had a closed-door meeting with Kazakh Prime Minister Akezhan Kazhegildin [name as received].

Informed sources said a spectrum of subjects discussed with the Russian guest included bilateral relations between Kazakhstan and Russia, market reforms, establishment of a securities market, the privatisation and the industrial production in the two countries.

Joint Property Structures Discussed

LD1510181294 Moscow INTERFAX in English 1642 GMT 15 Oct 94

[FBIS Transcribed Text] As he told a news conference in Alma-Ata [Almaty] on Saturday [15 October], Russia's Deputy Premier Anatoliy Chubays, who had come to Kazakhstan at the invitation of President Nursultan Nazarbayev, discussed the ways to form "integrated property structures which include big industrial complexes of Russia and Kazakhstan."

"It's useful and sensible" to form such structures, Chubays said. According to him, they can be formed now, since Kazakhstan embarked on the road of reforms, and its enterprises, like Russian, no longer belong to the state: they are joint-stock companies.

Integration can be achieved on the road of reforms and private property, not through common ruble area, Chubays pointed out.

"Mutual understanding and concrete solutions" regarding joint property structures were reached at the talks, Chubays said.

When asked about the recent sharp fall in the ruble rate, Chubays said that 2980 rubles for one dollar is a natural ruble rate.

The rise in the dollar rate was purely speculative, Chubays noted. It became possible only because the Russian government has committed a number of mistakes since last May.

According to Chubays, the halt in the ruble's fall shows that the situation is not catastrophic.

President Issues Edict on Defense Industry Committee

LD1410141594 Almaty KAZTAG in Russian 1220 GMT 14 Oct 94

[FBIS Translated Text] [No dateline as received]—Edict of the president of the Republic of Kazakhstan on setting up a defense industry committee under the Cabinet of Ministers of the Republic of Kazakhstan:

On the basis of point 3, part 1, of Article 78 of the Constitution of the Republic of Kazakhstan, in order to increase the efficiency of the defense industry enterprises, as well as special purpose objects and economic entities of various forms of ownership which manufacture special products for the needs of the armed forces of the Republic of Kazakhstan, I decree that:

1. A defense industry committee should be set up under the Cabinet of Ministers of the Republic of Kazakhstan.

The committee should be regarded as a governmental body which has the function of coordinating interbranch activity, regulating on behalf of the government the work of the defense industry enterprises, special purpose objects, and economic entities of various forms of ownership. Decisions made by the committee within the scope of its authority should be obligatory for relevant bodies of state power of the republic.

2. The main objectives for the defense industry committee under the Cabinet of Ministers of the Kazakh Republic should be as follows:

—implementing state policy in developing and manufacturing defense and dual purpose products; formulating programs of developing and restructuring the defense industry as well as of defense industry enterprises conversion and exports-imports of arms, military technology, special materials, and ammunition;

—ensuring implementation of plans, tasks of creating and preserving mobilization resources and accumulating the necessary mobilization reserves, as well as all other events related to civil defense and mobilization preparations in order to guarantee the stable work of defense enterprises and organizations under emergency periods;

—establishing scientific-technical, production, cooperation, and foreign economic ties for military-technical collaboration with foreign departments, companies, and enterprises;

—licensing the work of enterprises of all forms of ownership in the field of developing and manufacturing armaments, military technology, ammunitions and dual purpose products.

3. The Cabinet of Ministers should decide the staff numbers, financial, and material and technical back up of the apparatus of the defense industry committee under the Cabinet of Ministers of the Kazakh Republic,

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and its accommodation taking into account that a secrecy regime should be observed in the committee's work.

The rules and structure of the defense industry committee should be endorsed, and certain enterprises and organizations should be attached to it.

[signed] President Nazarbayev [no date as received]

New Premier To Ensure Progress on Reforms

LD1410210494 Moscow INTERFAX in English 1915 GMT 14 Oct 94

[FBIS Transcribed Text] Head of Kazakhstan's Cabinet of Ministers, Akezhan Kazhegeldin, is sure that his government will ensure progress of its reforms course. He declared this at a press conference on Friday in Alma-Ata [Almaty].

He said that he himself had chosen candidates for the new government and that Kazakh President Nursultan Nazarbayev supported his choice.

Kazhegeldin believes that the government's anti-crisis program which was confirmed by the president in July, is "strategically correct." It provides for the re-structuring of the economy, the fight against monopolies, inflation management, the speeding up of the privatization process and the creation of a capital and securities market. "We shall fulfill this program," he underlined.

Kazhegeldin emphasized that the government intends to present drafts of the tax code, of the decree on state property, on registration of individuals in notarial offices, of the decree on bankruptcy, re-organization of enterprises, etc. To the Supreme Soviet for consideration.

The previous Cabinet of Ministers headed by Sergei Tereshchenko resigned last Tuesday. The new government was approved by the Kazakh parliament last Wednesday.

Former Minister on Republic's Foreign Debts

LD1410085294 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 6 Oct 94 p 2

["The budget is the mirror of the economy - How does our republic look in it?"—KAZAKHSTANSKAYA PRAVDA headline]

[FBIS Translated Excerpt] The basis of a state is its budget. Yerkeshbay Derbisov, the [former] finance minister of the Republic of Kazakhstan, speaks about the approaches to forming the 1995 budget. [passage omitted]

Q: There are many questions concerning delays in paying salaries to workers of enterprises, organizations, and departments, including those in the sphere funded by the budget.

A: It happened to our ministry as well. Mutual nonpayments created such a situation that many enterprises and organizations are forced to stand idle for a long time and therefore they have no means to pay salaries.

There are many problems. The republican mutual payment of debts, which was conducted recently, did not resolve them. The total sum of mutual debts was 38 billion tenge, and after conducting the mutual payment operations, it dropped to 18 billion tenge. The credit sum of debts was 11 billion tenge.

The problem of interstate mutual payments within the CIS arises. As a result of nonpayments our republic is in debt to all its major partners. As of 1 July, for instance, it owed the Russian Federation more than $140 million, it owes Uzbekistan more than $75 million. We owe Kyrgyzstan and a number of other CIS countries a large amount of money. At the same time Kyrgyzstan owes us $31.5 million, Georgia [owes] more than $22 [million], Tajikistan owes $17.5 million. [passage omitted]

Q: By the way, about the state external debt. From the very beginning, when the USSR collapsed and Kazakhstan became independent, the debt was enigmatic. Has the total sum been defined?

A: Yes, the debt situation is becoming clearer. Currently, our republic owes some of the CIS countries a debt of $1.306 billion (if it is converted into dollars), plus a further $755 million borrowed from other countries of the world and from international organizations. So, you can calculate it. [passage omitted]

Details of New Cabinet of Ministers

LD1510132594 Almaty Kazakh Radio Network in Kazakh 0200 GMT 15 Oct 94

[FBIS Translated Text] By edict of the President of the Kazakh Republic and in accordance with Article 78 of the Kazakh Constitution, the Kazakh Cabinet of Ministers comprises as follows: Prime Minister of Kazakhstan—Akezhan Magzhan-uly Kazhegeldin First Deputy Prime Minister—Nigmetzhan Kabatay-uly Isingarin Deputy Prime Minister—Akhmetzhan Smagul-uly Yesimov Deputy Prime Minister—Vitaliy Leonidovich Mette Deputy Prime Minister—Viktor Vasiliyevich Sobolev Head of the apparatus of the Cabinet of Ministers—Syzdyk Zhumatay-uly Abishev Minister of Foreign Affairs—Kasymzhomart Kemel-uly Tokayev; Minister of Defense—Sagadat Kozhakhmet-uly Nurmagambetov; Minister of Finance—Aleksandr Sergeyevich Pavlov; Minister of Internal Affairs— Bulat Abdrakhman-uly Bayekonov; Minister of Geology and Protection of Natural Resources—Serikbek Zhusupbek-uly Daukeyev; Minister of Youth Affairs, Tourism and Sports — Byrganym Saryk-kyzy Aytimova; Minister of Health—Vasiliy Nikolayevich Devyatko; Minister of Culture—Talgat Asyl-uly Mamashev; Minister of Science and New Technologies—Vladimir Sergeyevich Skolnik; Minister

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of Oil and Gas Industry—Nurlan Utep-uly Ballgynbayev; Minister of Education—Yerezhep Abulkhair-uly Mambetkaziyev; Ministr of Press and Mass Media—Altynbek Sarsenbay-uly Sarsenbayev; Minister of Trade and Industry—Shtolk, Garry Gvidovich Shtolk; Minister of Agriculture—Zhanibek Salim-uly Karibzhanov; Minister of Social Security—Baykarim William-uly Totenov; Minister of Regional Construction—(Amalbek Kazysat-uly Tshanov); Minister of Transport and Communications—Serik Karabatyr-uly Aligozganov; Minister of Labor—Petr Ivanovich Shkrepa; Minister of Ecology and Bioresources—Svyatoslav Aleksandrovich Medvedev; Minister of Economy—Altay Ablay-uly Tleuberdin; Minister of Energy and Coal—Vladimir Vasiliyevich Kalmykov; Minister of Justice—Nagashybay Amangali-uly Shaykenov; Chairman of Land Use and Land Relations state committee—Bakyt Sagyndyk-uly Ospanov; Chairman of State Property Committee—Sarybay Sultan-uly Kalmyrzayev; Chairman of State Committee for Statistics and Analysis—Vladimir Ivanovich Goryachkovski; Chairman of the Financial Control Committee—Serik sultan Suleymen- uly Aimbetov; Chairman of State Committee for Prices and Anti-monopolist policies—Petr Vladimirovich Svoik; Chairman of the Committee for Emergency Situations—Nikolay Mikhailovich Makiyevskiy; Chairman of Defence Industry Committee—Kadyr Karkabat-uly Baykenov; Secretary of the Security Council—Tolegen Tlek-uly Zhukeyev; Head of Almaty regional administration—Uzbekov Umurzak

Kyrgyzstan

President Arrives in Turkey on Official Visit

LD1310173694 Moscow ITAR-TASS in English 1621 GMT 13 Oct 94

[By ITAR-TASS correspondent Sergey Feyoktistov]

[FBIS Transcribed Text] Ankara October 13 TASS—Kyrgyz President Askar Akayev arrived in Turkey on an official visit on Thursday [13 October] at the invitation of the Turkish president. At the Ankara Airport the Kyrgyz president was received by Turkish President Suleyman Demirel.

During the two-day visit Askar Akayev and the Turkish leaders will discuss the situation in the region and some international issues.

Upon the completion of the visit to Turkey Askar Akayev is expected to take part in the summit meeting of the Turkic countries which will be held in Istanbul on October 18-19.

Begins Talks; Turks Promise More Aid

LD1410140694 Bishkek Kyrgyz Radio Network in Russian 1000 GMT 14 Oct 94

[FBIS Translated Text] Official Kyrgyz-Turkish talks began in Ankara today between delegations led by Presidents Askar Akayev of Kyrgyzstan and Suleyman Demirel of Turkey. They will discuss the state of bilateral relations and ways of further developing them, as well as regional and international problems.

Addressing a meeting in honor of President Akayev's arrival in Ankara, the Turkish leader, Demirel, said relations between the two states have a great future. He stressed that the volume of trade between Turkey and Kyrgyzstan has increased from $3.3 million in 1992 to $21 million in 1993. Turkish companies are involved in work worth $108 million in Kyrgyzstan. With certain projects currently at the development stage, this sum will rise to over $200 million. The president [Demirel] reported that Kyrgyzstan has used $25 million out of the $75 million credit extended by Turkey's Eximbank. Demirel stated that Turkey will continue to give assistance and support to Kyrgyzstan in overcoming its difficulties in the period of transition, and in bolstering the economy.

Askar Akayev said that the main point of his visit to Turkey is to develop relations between the two countries. He thanked Turkey for its assistance and great support, and noted that Turkey was the first state to recognize Kyrgyzstan's independence, and that it is a source of inspiration for the Kyrgyz people.

Akayev is expected to meet with the Turkish leadership and to address the Grand National Assembly during his official visit.

Tajikistan

Rakhmonov Requests UN Election Observers

LD1510211094 Moscow ITAR-TASS in English 2013 GMT 15 Oct 94

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Transcribed Text] Dushanbe October 15 TASS—Tajik parliament chairman Emomali Rakhmonov asked U.N. Secretary General Butrus Butrus-Ghali to send international observers to the republic to monitor the upcoming presidential election and a nation-wide referendum.

This is the second request of the Tajik leader to the United Nations in the last few months. Independent observers believe that it has been prompted by Rakhmonov's growing concern about the negative reaction of the Conference on Security and Cooperation in Europe (CSCE) to the proposed draft constitution and the electoral law. CSCE experts said that they do not meet international standards and thus cannot ensure truly democratic and free elections in the republic. At their October 6 meeting in Vienna the CSCE leaders decided against sending observers to Tajikistan.

The Tajik opposition has also boycotted the election campaign. Its leaders said that the opposition was excluded from the constitutional process and could not even nominate its candidate.

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However, Rakhmonov remains confident that "the election and the referendum will be held as scheduled by the Tajik Supreme Soviet. If the opposition leaders want to block them, it's their business. But the final say belongs to the people and the majority of them supports the position of the Tajik leadership."

Supporters of Abdumalik Abdulladzhanov, Rakhmonov's only rival, are also against postponing the election. They argue that otherwise it may further worsen the situation in the republic, aggravate interregional contradictions and lead to a split in society.

Rakhmonov Praises CIS Peacekeepers on Anniversary

LD1510143794 Moscow ITAR-TASS in English 1410 GMT 15 Oct 94

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Transcribed Text] Dushanbe October 15 TASS—Tajik President Emomali Rakhmonov called on the CIS countries to extend the mandate of their peace-keeping forces till the end of 1995.

Speaking at a meeting devoted to the first anniversary of the deployment of CIS peace-keeping forces in Tajikistan in Dushanbe on Saturday [15 October], Rakhmonov praised the peacekeepers from Russia, Kazakhstan, Uzbekistan and Kirghizia, saying that they "are the guardians of peace and stability in the country."

The meeting was also attended by the high-ranking CIS military, diplomats and other officials.

CIS Commander Holds News Conference

LD1410191094 Dushanbe Radio Tajikistan Network in Tajik 1000 GMT 14 Oct 94

[FBIS Translated Text] A news conference devoted to the first anniversary of the CIS collective peacekeeping forces' entering Tajikistan was held at the republic's Council of Ministers today. Here is a report from our correspondent who was at the conference:

[Correspondent] Lieutenant-General Valeriy Patrikeyev, commander of the CIS collective peacekeeping forces in Tajikistan, opened the news conference.

He said that the CIS peacekeeping forces have carried out a large amount of work during their year here, although peacekeeping soldiers and officers have not been involved in clashes inside the country. They have defended the border areas of the republic, in these difficult situations, together with the Russian border troops and the interior, security, and defense forces of Tajikistan.

Dear listeners, let us listen to Patrikeyev's speech:

[Begin Patrikeyev recording, in Russian] On 15 October it will be a year since the collective peacekeeping forces started operating in the Republic of Tajikistan on the basis of military contingents from Kyrgyzstan, Russia, and Uzbekistan. This is certainly not a long period, but taking into account the importance of and objective need for peacekeeping on the territory of the former USSR, it is necessary to sum up and generalize the experience gained from the activities of the collective peacekeeping forces in the Republic of Tajikistan.

First of all it is necessary to point to the changes in the legal status of the collective peacekeeping forces and the possibility that that it may be amended further. While the agreement signed on 24 September 1993 at the session of the council of CIS heads of state on the collective peacekeeping forces and joint measures to provide them with material and equipment stated that the reason they were set up was to maintain peace and stability in the Republic of Tajikistan, the 15 April 1994 resolution of the council of CIS heads of state on prolonging the mandate of the peacekeeping forces set them specific tasks. [end recording]

[Correspondent] The residents of Tajikistan see the peacekeeping forces as their real defenders. The republic's large state enterprises and important sites are under the rigorous protection of these forces by request of the head of our country. We have to add that the head of the republic, in a letter and from the UN rostrum, asked the UN Secretary General to consider the issue of giving the collective peacekeeping forces the status of UN humanitarian forces. This issue was also discussed at the conference.

Mahmadsaid Ubaydullayev, deputy chairman of the Council of Ministers of the republic, talking about the role of the peacekeeping forces in the gradual normalization of the situation in Tajikistan, added that the heads of state and government of Tajikistan intend to ask that the issue of prolonging the forces' mandate be considered at the next session of CIS heads of state.

At the end of the conference the commander Patrikeyev of the CIS collective peacekeeping forces in Tajikistan and deputy chairman of the Council of Ministers Mahmadsaid Ubaydullayev answered a large number of questions from correspondents.

Continued Tension on Tajik-Afghan Border

LD1510133894 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 15 Oct 94

[FBIS Translated Text] The situation on the Tajik-Afghan border continues to be aggravated. Several days ago, after the defeat in the Garm valley clashes, the leadership of the so-called government in exile held a number of meetings with the commanders of armed opposition detachments on Afghan territory. A KHOVAR news agency correspondent was told this by reliable military sources.

According to the military sources, with this purpose Sayed Abdullo Nuri, the leader of the Islamic Rebirth Movement, visited the Afghan provinces of Takhar and

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Badakhshan. He has instructed his units to mobilize the Tajik refugees who are on Afghan territory, in order to fill the opposition's military detachments. The refugees condemn the decision by the leaders of the opposition. They are refusing to be killed for [words indistinct].

Speaking before his fighters in early October, Nuri pointed out that despite the achieved agreement in Tehran, they will continue combat actions on the territory of Tajikistan. Separate Afghan field commanders who control [words indistinct] expressed their readiness to render all round assistance to the units of the irreconcilable Tajik opposition. In addition to this, Tajik field commanders such as Hakim, Juma, and Ruzikul have taken refuge with Afghan generals, reports the KHOVAR news agency.

Border Situation Stable

LD1610154294 Moscow ITAR-TASS in English 1444 GMT 16 Oct 94

[By ITAR-TASS correspondent Aleksey Bulay]

[FBIS Transcribed Text] Moscow October 16 TASS—The situation on the Tajik-Afghan border remained relatively calm over the past 24 hours. No serious incidents occurred, the press service of the Russian border troops in Tajikistan told ITAR-TASS by telephone on Sunday [16 October].

Many believe that the situation on the border remained stable throughout the week due to the decision to post U.N. military observers there.

The worst clash between Russian border guards and Tajik opposition militants occurred on October 12 when a military convoy en route from Khorog (administrative centre of the Gorno-Badakhshan autonomous region of Tajikistan) to Kalaykhum ran into a group of intruders trying to cross the Pyandzh river that separates Tajikistan from Afghanistan. As a result of the clash, two of them were killed.

On Saturday, Tajikistan celebrated the first anniversary of the deployment of CIS peace-keeping troops in the republic. Tajik leader Emomali Rakhmonov praised the CIS peacekeepers, saying that they "are the guardians of peace and stability in the country." He called on the CIS countries to extend the mandate of their peace- keeping forces in Tajikistan till the end of 1995 and said they should be granted the status of U.N. peace-keeping troops.

"The CIS peace-keeping troops do not interfere in the republic's internal affairs. Peace-keeping military contingents are here to reinforce and protect the Tajik-Afghan border," Colonel-General Valeriy Patrikeyev, commander of the CIS peace-keeping troops in Tajikistan, said.

Patrikeyev pointed out that the presence of CIS peacekeepers has helped to improve the situation on the border and the number of armed clashes has reduced. "We are here to prevent political fighting from developing into an armed confrontation. Within their authority the commanders of the CIS peace-keeping troops are also acting as a mediator in the efforts to establish a constructive political dialogue between the Tajik leadership and the opposition," he said.

Border Troops Military Council Holds Meeting

LD1710112394 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 17 Oct 94

[FBIS Translated Text] An enlarged meeting of the military council of the Russian Border Troops Group in Tajikistan began work in Dushanbe today.

The following officials are attending the meeting: Emomali Rakhmonov, head of state and chairman of the Supreme Soviet; Abdulmadjid Samadov, chairman of the Council of Ministers; the heads of the key ministries [Security, Defense, and Interior Ministries]; Colonel General Valeriy Patrikeyev, the commander of the CIS joint peacekeeping forces; and the commanders of the Russian Border Troops Group in Tajikistan.

Opening the meeting of the military council, [name indistinct], commander of the border troops, [words indistinct] the Tehran agreement on a cease-fire. However, the Russian general pointed out that the situation on the border remains complicated.

The military council is being held behind the closed doors.

Rakhmonov Chairs Session on New Banknotes

LD1410203894 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 14 Oct 94

[FBIS Translated Text] Today, under the chairmanship of the head of state, Emomali Rakhmonov, chairman of the Supreme Council of the Republic of Tajikistan, a regular session of the republic's state commission on the exchange of 1961-92 banknotes took place. The following issues were discussed.

1. Implementation of the state commission's decree on accepting banknotes which were taken out of circulation and transferred to special bank account .

2. Discussion of applications and letters from the country's residents, enterprises and companies which were addressed to the state commission.

The state commission drew the attention of executive committees, the National Bank, and commercial banks to the correct usage of the banknotes. It was noted that new banknotes will be brought to the republic.

The head of state, Emomali Rakhmonov, chairman of the Supreme Council of the republic, stressed that the banknotes must be distributed correctly and the decrees of the state commission should be implemented without fail.

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Rakhmonov Reaffirms Election Date, Amnesty Pledge

LD1410195094 Moscow INTERFAX in English 1700 GMT 14 Oct 94

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The Tajik head of state Emomali Rakhmonov rules out the possibility of rescheduling the upcoming presidential elections and constitutional referendum. Both events have been scheduled for November 6 and Rakhmonov told newsmen in Dushanbe that the elections will be held as scheduled regardless of whether the opposition decides to boycott them. But, he "will be only too glad if the opposition reconsiders its approach to those most important political events," Rakhmonov said.

Rakhmonov said CSCE and UN dignitaries voiced support of Dushanbe's position on the elections and referendum.

Rakhmonov answered in the affirmative Interfax's question on whether the Dushanbe government would amnesty those who were listed as political prisoners by the inter-Tajik consultative meeting in Tehran (political amnesty features as one of the main conditions for the realization of the inter-Tajik ceasefire agreement—IF.) "Dushanbe will put no obstacle in the amnesty's way and is already doing much to meet its amnesty pledge. As many as four amnesties took place and more than 6,000 people were released from custody in the past two years in Tajikistan. Seventy percent of those who were amnestied only a short while ago, would have served up to seven years each," Rakhmonov said.

According to Rakhmonov, the Dushanbe government is getting ready to welcome UN observers whose job it will be to "monitor the release of those who go under the name of political prisoners." The observers will be expected to arrive in Tajikistan on October 17.

Communists Complain of Unfair Procedures in Elections

[FBIS Editorial Report] Khudzhand E'TIQOD in Tajik on 1 October publishes on page 1 a report on a speech by T. Mirkholiqov, first secretary of the Leninabad regional branch of the Communist Party of Tajikistan, made at the party's fifth regional congress on 24 September.

At the beginning of his speech Mirkholiqov noted that six months have passed since the fourth plenary session of the regional party committee which discussed the regional party committee's program of activities and set tasks for the region's party organizations. He also said that important events and serious changes have taken place in the sociopolitical life both of the republic and the region over this period. And these changes created many new tasks for the party organizations.

Mirkholiqov went on to say that the Communist Party of Tajikistan is against a presidential system of administration for the republic and government, preferring a parliamentary system. In particular, he said, the party considers that in Tajikistan's present sociopolitical situation it would be unacceptable and precipitate to hold presidential elections. The party warned the people earlier that the announcement of presidential elections in the present sociopolitical situation would make the situation in Tajikistan worse.

Although the communist party is against a presidential system of administration, it will not accept a political boycott, Mirkholiqov said, adding that it is keeping the real situation in mind, and it advises members and supporters to vote for the candidate whose program most closely matches the wishes and demands of the working people.

Mirkholiqov said that the Central Committee's conclusions on this problem are derived from the social and political situation in the republic. In a situation in which the sociopolitical position has not yet been brought back to normal, in which the disease of regionalism is still deeply rooted in Tajikistan, in which there is no leader whom the majority of the population in the republic recognize, and in which democracy exists only in name rather than in reality, to announce presidential elections makes the situation more complicated and increases the confrontation between groupings, he said. It is a situation which the communist party foresaw and warned the present authorities about, and now Tajikistan is in the throes of this situation.

Against the communist party's wishes, the speaker said, nomination of candidates is under way in the republic. Twenty months ago our deputies abolished the presidential system boldly and carelessly, with a wave of the hand. And now they are amending the constitution and restoring the presidential system in the same carefree manner.

The oddest thing, he said, is that the supporters of "a democratic, secular, and constitutional state" adopted a decree on presidential elections which deprives the people of their right to nominate a candidate for president, and for the first time they have given the right to nominate candidates for election to the state structures—the regional councils, the Dushanbe city council, and the councils of those districts which are directly subordinate to the republican authorities. Mirkholiqov noted that as they were aware of the communist party's stance, they included political parties in this law. The law not only restricts the rights of the electorate, it also restricts the rights of public organizations. The question arises of why, when the youth organization, the Women's Council and other officially registered organizations are equal before the law, some have the right to nominate candidates and others do not.

Mirkholiqov concluded this speech by noting that the law on presidential elections has been adopted and is

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being described as the most democratic of laws by the republican media. "Foreign experts" see it as the triumph of democracy. We are sure that by the time fundamental changes are made to this law they will see it as a document which restricts the voters' rights, he stated.

Turkmenistan

'Creditors' Blamed for Attack on Opposition

MM1710102994 Moscow IZVESTIYA in Russian 14 Oct 94 p 2

[Report by Gennadiy Charodeyev: "Turkmen Diplomats in Moscow Maintain That They Are Not Beating Up Their Compatriots"]

[FBIS Translated Text] The leaders of the so-called Turkmen opposition in Moscow, one of whom was assaulted and robbed by unknown people a few days ago, are accusing the Turkmenistan special services and embassy of the crime.

Murad Esenov, political observer of Radio Liberty's Turkmen editorial office, was attacked in broad daylight outside Otradnoye subway station. From what the victim said, we know that he was beaten up by six or seven strong boys with iron bars wrapped in cloths. He is in hospital with concussion.

His friend and party colleague, Avdy Kuliyev, former foreign minister of Turkmenistan and now a businessmen, told journalists that the attack was carried out on the orders of the Turkmen special services.

Avdy Kuliyev also stated that not a single officer could be found at the militia station 100-150 meters away from the subway station to help the seriously injured Esenov, and no one would even call an ambulance.

The editorial office got in touch over the telephone with the 184th and 141st stations, which are located in the Otradnoye station area. Police duty staff were unable to remember a single case in the past week of Turkmen citizens' being assaulted and robbed. The comment was short: "That is impossible."

IZVESTIYA was told by the Turkmen embassy: "Our diplomats and special services had no part in physically injuring Citizen Esenov."

Press attache Kamildzhan Kalandarov explained that the identity of the casualty is well known to him. According to some reports, Murad Esenov had made an unsuccessful deal and was unable to pay his debts, and he was punished for this by his creditors. Avdy Kuliyev, former diplomat and now leader of the "Turkmenistan" Foundation, had however decided to make political capital out of his comrade in arms' misfortune by accusing Ashkhabad of terrorism and the Moscow militia of indifference.

Back in December 1993 Murad Esenov appealed to the embassy to protect him against a group of blackmailers who were demanding money from him. The embassy accommodated him, providing him with a hotel room free of charge and then, at his request, sending him to Ashkhabad with an escort. However, Esenov soon returned to Moscow and became involved in commercial activity again.

"There is no politics here," Kalandarov stated. "The reasons should most likely be sought in the victim's commercial relationships."

Extradition of 'Renegades and Criminals' Requested

MM1710105794 Moscow IZVESTIYA in Russian 14 Oct 94 p 2

[Report by Vladimir Kuleshov: "Turkmenbashi Orders: 'Find Them, Bring Them in, and Put Them on Trial'"]

[FBIS Translated Text] Ashkhabad—The Turkmenistan General Prosecutor's Office has been instructed to request help from Russian law-enforcement bodies in securing the handover of people sought on criminal charges "who have committed serious crimes and betrayed the interests of their people and their own honor"—namely Avdy Kuliyev, former foreign minister; Khalmurad Suyunov, former chairman of the Kyzyl-Arvat City Soviet Executive Committee; and also their associates Khoshali Karayev from Beshir and Chary Kuliyev from Khalach, who are hiding outside Turkmenistan.

"Find them, bring them in, and put them on trial"—this instruction was heard at a recent Cabinet of Ministers session held to examine the question of preparations for Turkmenistan Independence Day. There is no doubt, the power department chiefs assured President Saparmurad Niyazov and the country's government, that the celebration of the third anniversary of independence will go down in history as a bright and joyous event. At the same time, session participants observed, "there is a group of renegades and criminals who are descending to spreading cheap rumors, gossip, and downright slander...."

Who are the people initiating the rumors about various attempts to spoil our holiday, slandering their country and their people in a vile manner, and using the foreign mass media to do so?—the rhetorical question was asked at the government session. Their names are well known. Above all they are so-called opposition leaders Avdy Kuliyev and Murad Eseno, currently residing in Moscow.

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Uzbekistan

Central Bank Annuls Foreign Currency Trade Permits

LD1410190194 Tashkent Uzbek Television First Program Network in Russian 1400 GMT 14 Oct 94

[FBIS Translated Text] The Central Bank of the Republic of Uzbekistan reports that in accordance with Cabinet of Ministers Resolution No. 499 of 7 October 1994, dealing with additional measures to develop the currency market in the Republic of Uzbekistan, from 15 October all payments and settlements between legal and natural persons, both resident and nonresident in the Republic of Uzbekistan, must be carried out only in the national currency, the som.

In this connection, the Central Bank of the Republic of Uzbekistan annuls licenses issued earlier that allow enterprises and organizations to engage in trade or provide services in Uzbekistan using foreign currency.

Cotton Harvest Continues in Republic

LD1710081894 Tashkent Radio Mashal in Uzbek 2230 GMT 16 Oct 94

[FBIS Summary] Since the beginning of the harvesting season Kashkadarya Oblast cotton growers in Uzbekistan have collected about 400,000 tons of cotton and will have to collect another 20,000 tons to fulfill the annual plan. Bukhara Oblast cotton growers have collected 330,000 tons of cotton during the same period and need to collect 20,000 tons more to meet the annual plan. In Khorazm Oblast cotton growers have collected 275,000 tons of cotton and require an extra 15,000 tons to meet their annual plan commitment to the state.

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Armenia

CSCE Minsk Group Supports Peace Moves in Karabakh

NC1410173894 Yerevan SNARK in English 1354 GMT 14 Oct 94

[FBIS Transcribed Text] Stepanakert, October 14 (SNARK)—A peace-making operation under CSCE's aegis is needed for political resolution of Karabakh problem, said the deputy chairman of the CSCE Minsk group Per Anderman in Stepanakert.

As it has already been informed, the delegation of the CSCE Minsk group, headed by Swedish diplomat Per Anderman, has arrived in Stepanakert last Thursday, where it met with the Foreign Minister of NKR [Nagorno-Karabakh Republic] Arkadiy Gukasian.

The situation in the region was discussed, exchange of opinions concerning the further steps towards Karabakh conflict settlement and fulfillment of trust measures between Nagorno-Karabakh and Azerbaijan took place during the talks. The participants also paid attention to the problem of the POWs and hostages.

The delegation of the CSCE Minsk group left for Yerevan today.

Karabakh Authorities Refuse Entry to Turkish Envoy

NC1410143094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0715 GMT 14 Oct 94

[FBIS Transcribed Text] Stepanakert ("AZG" daily), 10/14/94—As we have already reported, a delegation of the CSCE Minsk group, headed by Deputy Chairman Per Anderman, arrived from Baku to Yerevan on October 12.

On the same day, RA [Republic of Armenia] Minister of Foreign Affairs Vahan Papazian met the delegation, and discussed problems concerning resolution of the Karabakh conflict. Nevertheless, just presence of a Turkish representative in the CSCE group, Selim Karaosmanoglu, itself may influence effectiveness of the meeting. In all cases it is evident that Turkey, which has preconceived position in resolution of the Karabakh conflict by blocking Armenia, supplying arms and ammunition to Azerbaijan, should not participate in any peaceful mission. It is therefore not by chance that the RMK authorities have declared many times that there could even be no word about any peace mission, if Turkey participates in it.

The CSCE delegation left for Stepanakert yesterday. Nevertheless, according to the RMK [Republic of Mountainous Karabakh] representation in Armenia, the RMK authorities refused to allow Mr. Karaosmanoglu to enter Karabakh.

"PAST" agency reports that according to RMK deputy Foreign Minister Manvel Sargisian, they have previously twice informed the group about this, and presented corresponding explanations. "Using the channels of RA Foreign Ministry, we informed once again that our decision will not be changed," noted Mr. Sargisian. "The US Embassy then declared that if the Turkish representative is not allowed to enter Artsakh [Nagorno-Karabakh], their representatives too, will not enter the country."

Chairman of the RMK State Department of Defense Robert Kocharian has met the RMK delegation in Yerevan and explained the reasons why entrance is not allowed. Nevertheless, in sympathy with their colleague, the US and French representatives also refused to leave for Stepanakert.

It is evident that this measure of the RMK authorities was a response to the event when Karabakh representative of the "Helsinki Initiative" organization was not given entry visa to Turkey. Instead of condemning such actions of Turkey, the United States and France expressed solidarity to the Turkish representative. According to Manvel Sargisian, "such a stance shows that there are other interests involved, and political interests prevail over the peace mission, whereas we would like to deal with objective mediators."

At the same time, according to Karabakh sources, CSCE delegation arrived yesterday to Stepanakert, and was going to have a number of meetings with the RMK leaders. It is planned that a number of actual problems concerning stationing international peace-keeping forces will be discussed.

Russia Reportedly Plans To Deploy MiG-23 Squadron

MK1410123094 Moscow SEGODNYA in Russian 14 Oct 94 p 2

[Report by Yuriy Golotyuk under the "Defense" rubric: "Russia Plans To Move a Fighter Plane Squad to Armenia"]

[FBIS Translated Text] Recent days have been characterized by a sharp intensification of Russian-Armenian contacts in the military sphere.

Early this week, the two states' defense ministers ratified in Moscow an agreement on setting up a Russian military base in Armenia.

Yesterday, questions of further expansion of cooperation in the military sphere were specified at the meeting Major General Mikhail Arutyunyan, chief of the Main Staff and Armenia's deputy defense minister, had with Colonel General Vladimir Andreyev, Russian Federation Air Defense aviation commander, who is on a visit to Yerevan.

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It has come to light from reliable sources that the possibility of basing a squadron of MiG-23 fighter-interceptors in Armenia was discussed during the meeting. Gen. Andreyev pointed out that Russian-Armenian military cooperation "is only beginning."

At the Main Staff of the Russian Federation Air Defense Troops, they refused to tell your SEGODNYA correspondent which specific tasks the fighters to be moved to Armenia are going to perform, saying the information was classified.

Shumeyko Visit to Armenia Detailed

954K0085A Yerevan RESPUBLIKA ARMENIYA in Russian 11 Oct 94 p 1

[Report by Sergey Oganyan: "A New Impulse for Friendship and Cooperation"]

[FBIS Translated Text] On the evening of 9 October a delegation of the Federation Council of the Russian Federal Assembly, headed by the Federation Council Chairman Vladimir Shumeyko, arrived in Armenia with a two-day official visit. The purpose of the visit is to discuss a score of issues on cooperation within the framework of the Interparliamentary Assembly, as well as those surrounding the Karabakh problem, and resolving the question of benefits for Great Patriotic War veterans living outside Russia.

The Russian delegation's first official meeting took place yesterday. In the building of the RA [Republic of Armenia] Supreme Council, Vladimir Shumeyko and officials accompanying him met with members of the Armenian parliament's presidium.

Babken Ararktsyan, chairman of the Armenian Supreme Council, delivered a welcome address. He said that this visit took place after the recent signing in Moscow of a cooperation agreement between the Federation Council and the Armenian Supreme Council, and it may be viewed as the first concrete steps within the framework of this agreement. Sovereign Armenia has established relations with many countries of the world, including of the CIS, but relations with Russia have been, are, and will remain a priority.

"I am convinced that this visit will provide a new impulse for strengthening friendly ties," said B. Ararktsyan. He also noted the fact that V. Shumeyko is the chairman of the Interparliamentary Assembly. It is within the framework of this organization that many important issues are decided on. In particular, the Bishkek protocol, thanks to which a prolonged cease-fire was established at Nagorno-Karabakh fronts, was signed thanks to the mediation of the Interparliamentary Assembly.

In his brief reciprocal speech, Vladimir Shumeyko said that this is the first official visit of a Federation Council delegation to Armenia, although he personally had visited our republic many times. He noted active cooperation between our two countries. Members of Armenian leadership visited Moscow several times this year alone, and they are establishing good personal relations with top persons in Russia. V. Shumeyko also noted Armenia's activism in the Interparliamentary Assembly.

On economic issues, the chairman of the Russian Federation Council said that a credit of R110 billion has been made available for Armenia, of which R60 billion are earmarked for bringing the Armenian AES [nuclear power station] back on line. By the way, where Armenia stands with Russia is illustrated by the fact that R400 billion in the Russian budget are allocated for credits, and one-fourth of that the Government of Russia earmarked for Armenia.

Vladimir Shumeyko drew the RA Supreme Council members' attention to the fact that the parliaments of the two countries still have not ratified the mutual aid and cooperation treaty signed by Presidents Yeltsin and Ter-Petrosyan back in December 1991. On his part, he promised to do everything for the speediest ratification of this treaty by the Duma.

Practically none of the new states formed in the post-Soviet space have managed to get by without political cataclysms. But Armenia was able to overcome the difficulties and build democracy in a civilized way. "Your parliament is peacefully completing its five-year term, and I cannot help but be envious of it," said V. Shumeyko.

After the meeting with presidium members, Vladimir Shumeyko had a conversation with Babken Ararktsyan, after which he headed for the Armenian Government building, where he met with RA Prime Minister Grant Bagratyan.

The meeting with the prime minister was held behind closed doors. As Yuriy Algunov, the Federation Council's press secretary, told journalists, the talks proceeded in an atmosphere of openness, and the parties discussed a number of issues related to the development of Armenian and Russian economies, which are currently going through difficult times. The Armenian side raised the issue of the nuclear station and briefly appraised Vladimir Shumeyko on its current condition. Also discussed were the questions related to the restoration and development of railroads. Vladimir Shumeyko noted the importance of this issue and said that it needs to be resolved within the framework of the Interparliamentary Assembly. In his opinion, the restoration of destroyed railroads in the Transcaucasus will cost at least R60 billion.

Next, Vladimir Shumeyko went to the House of Receptions, where he met with representatives of three Russian societies: [names unclear].

The Federation Council chairman briefly appraised those present on the progress of today's talks. He

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expressed concern over the fact that Russians are leaving Armenia, but at the same time noted that this trend also is present among the Armenian population and is caused by socioeconomic difficulties. According to official Russian data, 532,000 Armenians are currently living in Russia.

Then members of the Russian delegation were familiarized with the problems of the Russian community in Armenia. It should be noted that most of them are of a socioeconomic and educational nature. It was pointed out that there is no discrimination against ethnic Russians in Armenia.

The delegation brought with it computers and office equipment for the Russian organizations, and asked the Government of Armenia to allocate office space for these societies.

Today Vladimir Shumeyko will speak at the meeting of the Armenian Supreme Council, meet with President Levon Ter-Petrosyan, and hold an concluding press conference. The details on the second day of the Russian delegation's visit will be reported in the next issue of RESPUBLIKA ARMENIYA.

Agriculture Minister's Trip to U.S. Reported

NC1410170994 Yerevan SNARK in English 1231 GMT 14 Oct 94

[FBIS Transcribed Text] Yerevan, October 14 (SNARK)—Today the Minister for Agriculture of Armenia has left for Washington, where an agreement with the World Bank on granting to Armenia a credit for $60 million will be signed next week.

This big credit is granted for 40 years with the payment of 0.5-1 per cent since eleventh year.

The Republic will be able to restore about 70 per cent of the whole irrigation construction due to these means, said the Prime Minister of Armenia Hrand Bagratian today. "In present, 15 big reservoirs from 20 are in breakdown state in Armenia", - said Bagratian.

Armenia intends to use $15 million of this credit already next year. This will also allow to give job to more than 2500 people.

Former Aide Sentenced for Revealing Secrets

NC1610182794 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0708 GMT 16 Oct 94

[FBIS Transcribed Text] Yerevan ("VREMYA" biweekly), 10/12/94—RA [Republic of Armenia] Supreme Court finished discussion of the Vahan Avagian's case, former deputy Counselor of the President on National Security.

Having rejected all legal argumentation of the defense, the court sentenced Avagian to four years of imprisonment, based on the articles 15-70 of RA Criminal Law for an attempt of revealing state secrets.

Avagian was charged with smuggling, illegal transportation and possession of weaponry and revealing state secrets. The first two accusations were rejected by the prosecutor. Revealing state secrets transformed into an attempt of revealing. The sentence was not well proved though, since if there is an attempt to reveal secrets, there must be some argumentation for intentions.

"Whatever happened to Vahan Avagian may be qualified as lynch law," said Deputy Chairman of the Parliament Commission on Human Rights Aghasi Arshakian. "If Avagian could have been considered a victim of political wars before the sentence, he has now definitely become a political prisoner. Remember the TV show, called 'Catching a Spy and a Traitor', as the President called Avagian. He was charged with three articles at the same time. They were fake, and the court rejected two of them, whereas third one was modified. I mean, there was a lot of fuss out of nothing.

"The judge Zinavor Gukasian was blinded by the necessity to obey the orders of his masters. Being an experienced judge, he made lots of stupid mistakes. Of course, we will appeal to change the sentence. But we all made sure we have a 'pocket' court."

Azerbaijan

Parliament Sanctions Arrest of Guseynov

LD1410203194 Moscow ITAR-TASS in English 1919 GMT 14 Oct 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva, Viktor Shulman]

[FBIS Transcribed Text] Baku October 14 TASS—The Azeri Parliament unanimously stripped ex-Premier Suret Guseynov of deputy immunity and sanctioned his arrest today. Whereabouts of Guseynov is still unknown, the search is underway.

Judging by evidence of the majority of the detained, the Ganja revolt was headed directly by Guseynov, the Azeri military procurator told a parliament meeting. Guseynov is charged with a coup attempt in Ganja, the Azeri west, on October 4-6.

He has also been stripped of the title of Azeri National Hero awarded to Guseynov in 1992 for special services at the Karabakh front.

The parliament also discussed personnel issues. Arif Ragim-Zade, Azeri state adviser supervising territorial power bodies and departments, was appointed first deputy Azeri speaker. Yashar Aliyev, head of a Baku hospital, became deputy speaker.

Parliament Approves Imprisonment

NC1410204794

[FBIS Editorial Report] Baku Azerbaycan Radio Televiziyasi Television Network in Azeri at 1634 GMT on 14

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October airs "a complete video recording" of the evening session of the Azerbaijan National Assembly of 14 October which, the announcer says, "just ended."

In opening the session, Chairman of the Supreme Soviet Rasul Guliyev informs the deputies of the request of the Prosecutor General's Office "to institute criminal proceedings against the Azerbaijani people's deputy Suret Davud ogly Guseynov, and approve measures for his imprisonment."

Addressing the session, Acting Prosecutor General Eldar Hasanov says the Republic's military prosecutor general has instituted criminal proceedings in connection with 5 October Ganja incidents under "Article 57 of Azerbaijan Criminal Code on Treason Against the Nation," and "the investigation has proven the crime committed by the people's deputy and former Prime Minister Suret Guseynov."

Hasanov asks the deputies to examine his request in view of the fact that Guseynov still enjoys the status of people's deputy. In his indictment, Eldar Hasanov charged Guseynov and his supports for "organizing an assassination on 4 October 1994 in order to seize power." He also charged Guseynov for attempting to create illegal armed formations in Ganja in the last month in order to seize power.

But when asked by a deputy to produce proof of Guseynov's involvement in the coup attempt, Eldar Hasanov refused to reveal them in camera.

Next, the deputies expressed their views on the matter.

Military Prosecutor General Nizami Takhmazov reiterates charges against Guseynov and says Guseynov has a "psychological bent to commit crimes, gather and arm criminal groups around him, instill fear among the people by threats, and carry out coup d'etats." He says that thus far Guseynov has not come to the parliament and warned that anyone hiding him is liable to be severely punished.

Rasul Guliyev recounts the 4-5 October Ganja events and accuses Guseynov of leading the rebellion there. Guliyev says at a meeting with Geydar Aliyev on 7 October Guseynov admitted his involvement in Ganja events, asked for forgiveness, and wanted to be appointed ambassador to a CIS country. Aliyev promised to look into the case because even on 7 October the authorities did not know the full extent of the crime committed by Guseynov. But Guliyev says by 11 October the extent of Guseynov's crimes become clear. He describes Guseynov as a "bandit."

Guliyev then says he hopes the assembly will adopt the prosecutor's request and will also revoke Guseynov's title of "Hero of Azerbaijan." He said that if this decision is adopted and if any citizen does not report on the whereabouts of "this traitor to the nation" he will be committing a crime. Addressing the Azerbaijani people, Guliyev says: "If Azerbaijan is not cleared of such criminals she will never attain full independence and statehood."

Guliyev says: "At present, there is no information on Suret Guseynov's whereabouts. He might be in Azerbaijan. But, what can Suret Guseynov do in Azerbaijan? Nothing. No one is following him, no son of this people could follow him. But, he was collecting money for his criminal aims, and you never know he might commit acts of terror. Therefore, I think that a criminal like Suret Guseynov should be speedily neutralized with the support of the Azerbaijani people. He must come and give account before the people's court, before this people."

Next deputies continue expressing their views supporting the proposal of the Prosecutor General's Office.

Rasul Guliyev calls on the deputies to vote for the prosecutor's proposal and repeal Suret Guseynov's title of "National Hero."

His proposal passes with 37 votes, upon which Guliyev closes the session.

Investigator Relieved From Post for 'Shortcomings'

NC1510131294 Baku TURAN in English 1026 GMT 15 Oct 94

[FBIS Transcribed Text] Baku, October 15 (TURAN)—Ramiz Guliyev, the investigator for special cases in Prosecutor's Office, is relieved from Prosecutor's Office for shortcomings in his work.

Ramiz Guliyev pleaded the case concerning embezzlement of property by one commercial enterprise, which was headed by the employee of Azerbaijan's Ministry of National Security, Faik Mirzoyev, who also was one of organizers of escape of four prisoners from isolator of Ministry of National Security.

According to official information, yesterday Prosecutor's Office discussed the results of its inspection.

It was found out that while pleading the case concerning accusations against the Chief of Baku's commercial construction bank, Natig Yusifov, and others on Articles 88.1, 172 and 167 Chapter 2 of Criminal Code of Azerbaijan, Ramiz Guliyev brutally violated the Criminal Code. It is also reported that Ramiz Guliyev did not identify the personality of the employee of Ministry of National Security, Faik Mirzoyev, and said that he is the Director of one small enterprise and the Chief of the firm. The investigator did not take into account embezzlement of property totalling 45 million rubles by Faik Mirzoyev and other persons and gave him a written undertaking not to leave his place.

As a result of that Faik Mirzoyev remained in the office of Assistant of Chief of investigation isolator in the Ministry of National Security and organised the escape

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of four prisoners—Ragim Gaziyev, Baba Nazirli, Alikram Humbatov and Arif Pashayev.

The Chief of Investigation Department in Prosecutor's Office and two employees of Prosecutor's Office are also relieved from their posts.

Agriculture Minister Arrested for Coup Attempt Role

LD1610145394 Moscow INTERFAX in English 1326 GMT 16 Oct 94

[FBIS Transcribed Text] The Azerbaijani Prosecutor General's Office circulated an official statement in Baku on Saturday saying that Azerbaijani Agriculture Minister Muzamil Abdullayev [name as received] and former national security minister (dismissed after the escape of four opposition activists from the prison) Nariman Imranov had been arrested.

The statement said that the agriculture minister had participated in the mutiny in Ganja in early October which Baku considered as an attempted putsch. The statement also said that the former national security minister was charged with helping an organizer of the putsch, ex-premier Suret Guseynov to flee.

On Friday the Azerbaijani parliament permitted to arrest Guseynov and bring him to justice for his participation in the attempted mutiny in Ganja on October 3-4.

President Fires Ministers for 'Inadequacies'

LD1710100194 Moscow ITAR-TASS World Service in Russian 0837 GMT 17 Oct 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Translated Excerpt] Baku, 17 Oct (ITAR-TASS)—There have been staffing changes in the Azerbaijani Cabinet of Ministers. On Sunday evening the Azerbaijani president issued edicts dismissing two deputy prime ministers, Asker Mammadov and Ali Tahmazov, as well as Minister of Trade Rizvan Guseynov and Feyruz Mustafayev, president of the State Grain Products Company, for serious inadequacies in their work.

The measures came immediately after the head of state held a conference on the provision of bread and grain products for the republic. In recent days the situation in this respect has become extremely tense. According to Geydar Aliyev, considerable hold-ups in providing the population with this basic foodstuff have been brought about not only by economic causes but also by the efforts of certain forces to destabilize the situation in the republic and cause a social explosion. [passage omitted]

Social Democrats Demand Release of Aypara Aliyev

NC1510135194 Baku TURAN in English 1831 GMT 14 Oct 94

[FBIS Transcribed Text] Baku, October 14 (TURAN)—"Analysis of the latest events taking place in the republic show that there was not any attempt of coup d'etat in Azerbaijan, latent processes were taking place and could bring to the coup d'etat, but the president Geydar Aliyev very carefully inspired the events and had achieved his purpose - he had eliminated his political opponents," told Head of Azerbaijan's Social and Democratic Party (ASCP) today at the press conference held in the headquarters of the Party.

Alizade said that the leaders and members of ASDP are being threatened. "I myself, Zardusht Alizade and leader of the National Committee of Helsinki Civil Assembly Arzu Abdullayeva have written a statement that we feel well, we are not ill, we are very careful and if any accident takes place Geydar Aliyev and his supporters will bear all responsibility. According to Alizade the statement has been transferred to Socialist International Organization (Socintern).

According to Alizade, the illegal arrest of Aypara Aliyev, Deputy ACDP and his stay in Bail jail proves again that the persecutions are going on. Aypara Aliyev is accused according to Clause 57 of Azerbaijan's Criminal Code (betrayal to the native land).

Araz Alizade confirmed that yesterday during after his meeting with Aypara Aliyev and his defence lawyer Elman Mamedov it became known that no physical violence was use against him. "But the head of Ganja Military Police Office Eldar Aliyev, arrested and delivered in Baku, is being beaten several times a day and is in a bad state," noted he.

Head of Socintern Luis Ayala and the head of Women Department of Socintern Maria Ionas addressed with a statement calling to release Aypara Aliyev. Luis Ayala appealed to president Aliyev with a relevant letter. "The latest events in the republic and elimination of opponents from the political arena are connected with a privatization, which is wanted to be conducted in Azerbaijan in result of which some people will become very rich and the others will be thrown into a poverty," believes Alizade.

These crisis events taking place in early October were reflection of withstanding between Rasul Guliyev and Suret Guseynov. Geydar Aliyev had supported Rasul Guliyev, and the incident with Javadovs' brothers was only a background," noted Alizade.

Procurator Says Reasons for Crisis Still Exist

NC1510134394 Baku TURAN in English 1831 GMT 14 Oct 94

[FBIS Transcribed Text] Baku, October 14 (TURAN)—"I believe that Rasul Guliyev played an important role in a mess that took place in the country and the others - Interior Minister Ramil Usubov, former General Procurator Ali Omarov and Defence Minister Mamedrafi Mamedov were the marionettes in his hands," TURAN was told by acting Procurator of Khatai district Makhir Dzhavadov.

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As it was reported, Makhir Dzhavadov, together with his brother Rovshan Dzhavadov, Azerbaijan's Deputy Interior Minister with a group of Special Police Divisions occupied the building of the Procurator's Office and moved forward a number of political demands on October 2. Later that tense situation in a televised appeal of Geydar Aliyev to the population of the country was assessed as an attempt to make a coup d'etat in Ganja, arranged by the prime-minister Suret Guseynov.

Rasul Guliyev's purpose was to remove Dzhavadovs' brothers away from the political arena and to eliminate them morally, as "Speaker of the Parliament was afraid that his political image was dwindle, if they would enter the list of president's supporters. As the people who caused the conflict are still in the office, we cannot consider that reasons of the conflict are eliminated," believes Makhir Dzhavadov.

Makhir Dzhavadov called the events of October 2 in Baku a provocation. That night they were caused by General Procurator Ali Omarov, at the instruction of whom was arrested and accused in murder of two statesmen the driver of Makhir Dzhavadov. "When I entered the office of Omarov he said that he was going to arrest me and had even shown a pistol." Makhir Dzhavadov had to disarm Omarov and after that Ali Omarov said that he was not to blame as he acted at the instruction of Rasul Guliyev. Ali Omarov had repeated the same words to Makhir's brother Rovshan Dzhavadov.

According to Makhir Dzhavadov, Head of general headquarters of military forces Najmeddin Sadikhov and Deputy Interior Minister Ramiz Mamedov had played an important role in peaceful settlement of the conflict. On the cars belonging to the Defence Ministry the members of Special Police Divisions returned to the 8-kilometres. "There were only seven of us and not 30 or 40 men, as it had been stated by the authorities," noted Dzhavadov. "The president was misinformed, he was told that we were going to make a coup d'etat. But the coup d'etat should begin not in the Procuratory Office but by an attack of the Presidential Office, the Broadcasting Centre and other important objects," told Dzhavadov.

Makhir Dzhavadov said that his driver and two men of the Special Police Division who had been arrested at the sanction of Ali Omarov on suspicion in participation in those events and who had been released during later, were arrested and accused again."

According to Dzhavadov, the Interior Minister had to be dismissed as that man with little experience can cause a lot of trouble. The information of the Interior Ministry's press-service on an incident taking place in Sumgait on October 7, was called by Makhir Dzhavadov as tendentious and confirming that Ramil Usubov was acting as before.

The reactionary forces inside the Republic wanted to use the conflict between the Special Police Divisions and the authorities and perhaps had a purpose to make a coup d'etat. I cannot state that Suret Guseynov participated in those events, but I think that some other forces participated there," noted Dzhavadov.

Concerning further development of events, Dzhavadov said that now it was the president who had to solve everything. "He is informed well enough and we hope that his decisions will be reasonable, it is clear that he needs some time for their solution," noted Dzhavadov.

First Deputy, Deputy Chairman of Parliament Elected

NC1410184994 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 14 Oct 94

[FBIS Translated Text] The National Assembly continued its session today. The National Assembly discussed organizational matters during its morning session. Arif Rehimzade, a member of the National Assembly and state adviser, was elected first deputy chairman of Supreme Soviet, and people's deputy Yashar Aliyev was elected deputy [chairman of the Supreme Soviet].

The members of the National Assembly continued the debate on the agreement signed between the consortium of the foreign oil firms and the State Petroleum Company of Azerbaijan [SOCAR]. The representative of SOCAR gave a detailed briefing on the importance of the agreement signed with the Western oil companies for the economic life of our republic, its enormous political value, the exploitation of the rich oil fields of the Caspian Sea, and on existing agreements on the status of the Caspian Sea. Then the people's deputies expressed their opinions on this agreement.

Following prolonged debates, it was decided that the agreement should be resubmitted for National Assembly's approval after considering the observations and proposals of the parliamentarians and leading specialists of our republic in the next two days.

The National Assembly also discussed other matters.

Chernomyrdin, Kozyrev Assure Aliyev on Oil Deal

LD1410194094 Moscow INTERFAX in English 1700 GMT 14 Oct 94

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Russia's Prime Minister Viktor Chernomyrdin has reportedly said he sees no problems following the conclusion of the oil contract between Azerbaijan and a consortium of foreign companies with the participation of the LUKoil company, of Russia. President Aliyev's press service says Chernomyrdin said so in a telephone conversation with President Aliyev on Thursday.

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The press service says that Chernomyrdin pointed to the need for discussing and coordinating ecology and fishing questions.

As he talked on the phone with the Russian Foreign Minister Andrey Kozyrev on the same day, President Aliyev recalled that over the many years of talks with the consortium of oil companies Russia had never voiced any objections to that project. Aliyev said he was surprised by the Russian Foreign Ministry's refusal to recognize that contract.

President Aliyev said he was also surprised by the Russian Foreign Ministry's address to the United Nations on that issue and reports by foreign mass media the Russian Foreign Ministry proposed sanctions against Azerbaijan. "Such actions would run counter to friendly relations between Russia and Azerbaijan", President Aliyev is quoted as saying.

Kozyrev is reported to have said that Russia planned no sanctions against Azerbaijan.

Aliyev thanked Prime Minister Chernomyrdin for the prompt solution of problems arising in the course of the transit of food supplies for Azerbaijan through Russia.

IF Note: Local observers believe the purpose of President Aliyev's contacts with the Russian Prime Minister and Foreign Minister was to ease certain tension in bilateral relations following the conclusion of the contract with the foreign oil consortium and statements by Baku that reactionary forces in Russia were responsible for staging the government coup attempt in Azerbaijan. Experts hope the Azerbaijani government's decision to send humanitarian aid to earthquake victims in the Kuril islands would promote the restoration of a friendly climate in bilateral relations.

Russian Politicians' Views on Developing Oilfields Seen

NC1410143194 Baku TURAN in English 0945 GMT 14 Oct 94

[FBIS Transcribed Excerpt] Baku (October 14) TURAN—[passage omitted] President Aliyev's phone talks with Andrey Kozyrev and Viktor Chernomyrdin coincided with the statements of Russian Minister for Fuel and Energy, Yurii Shafrannik, and Lukoil's President, Vakhid Alekperov. On October 13 Yurii Shafrannik told ITAR-TASS agency that "Russia's Ministry for Fuel and Energy backs up Russia's participation in the development of the Caspian oil-fields. For Russia it would have been a mistake not to take part in the project. Out position is to take an active part in international projects, especially on the territory of the CIS", Yurii Shafrannik said.

In his interview to ITAR-TASS agency, President of Lukoil, Vakhid Alekperov, told that "it is important for Russia to take part in the development of oil deposits on the Caspian sea". Speaking about the status of Caspian sea, Vakhid Alekperov said that "one needs much time to define the status of the Caspian sea, but if we will be detached on-lookers, we can lose a large profit".

The positions of two leading Russian politicians - Viktor Chernomyrdin and Andrey Kozyrev - in the issue concerning development of oil-fields on Caspian sea are different. Judging by all, Andrey Kozyrev wants to strengthen his position by help of Organisation of pri-Caspian States Cooperation, the creation of which is presently discussed at Moscow's conference of five pri-Caspian states. Moscow hopes that Iran will back up Russia in its argument with Azerbaijan. However, up to now official Tehran did not say anything against "Gulistani contract" and due to socio-political situation in Iran, Tehran is unlikely to go into open confrontation with Baku. Moreover, Moscow's politicians overestimate Iran's "hostility" towards the West. Iran's participation in development of Caspian offshore oil-fields and shipment of North-Asian oil and gas to Europe is a unique opportunity for Tehran to improve its relations with the West and to receive enormous political and financial dividends.

Turkish Ambassador Expresses Renewed Support

NC1410185294 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 14 Oct 94

[FBIS Translated Text] In receiving Turkish Ambassador to Azerbaijan Altan Karamanoglu, Chairman of the Supreme Soviet Rasul Guliyev specifically emphasized the fraternal approach of Turkey which was first to make its stance known on the latest developments in Azerbaijan, and make its stance known against those who are attempting a coup d'etat, resorting to grave acts of terror, and trying to create disorder. Guliyev gave special importance to this meeting. Rasul Guliyev spoke on recent events and ways to resolve the difficulties on the level of parliament.

Preparations for the upcoming parliamentary elections, the ratification in the parliament of the agreements signed with the Western oil consortium, the progress of the scientifically-grounded economic reforms, and other matters formed the center of the meeting.

Altan Karamanoglu spoke on the summit of the heads of state of Turkish-speaking countries to be held in Istanbul between 18-19 October. He also touched on Azerbaijan's participation there. He stated that Turkey was the first state to support Azerbaijan's independence, and will assist the fraternal country in solving all its problems.

Namik Akhundov, director of the international affairs department of the Supreme Soviet, and other officials were present at the meeting.

Iranian Envoy Denies Collaboration Against Baku

LD1610154494 Tehran IRNA in English 1504 GMT 16 Oct 94

[FBIS Transcribed Text] Baku, Oct. 16, IRNA—The Iranian ambassador here, 'Ali Akbar Nahavandian, here

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Saturday refuted Iran's alleged collaboration with Russia against the Republic of Azerbaijan.

Nahavandian, who was speaking to Azerbaijan's minister of state for political affairs, Vefa Gulizade, said spread of such malicious reports was part of plots hatched by those who were against expansion of Tehran-Baku relations.

In fact, he added, such elements see the closeness of views shared by Iran and Azerbaijan as an obstacle for their domineering and expansionist goals.

Gulizade thanked the Islamic republic for its position towards his country and underscored the need for further promotion of bilateral ties.

He said no countries of the world were so close to each other as Iran and Azerbaijan.

He also disclosed that Azeri President Geydar Aliyev had in his various trips abroad, including the visits to the U.S. and Russia, appreciated Iran's "valuable" assistance to the Republic of Azerbaijan.

Gulizade, who is in charge of talks with the European Security and Cooperation Council's Minsk group on ways of finding a peaceful solution to the Karabakh conflict, briefed Nahavandian on latest developments regarding the Karabakh dispute.

Moscow television had recently alleged that the Islamic Republic of Iran and Russia had adopted a joint stance vis-a-vis an agreement reached here on September 20 between Azerbaijan and a consortium of western oil companies.

Western Oil Contract Ratification Expected After 24 Oct

NC1510174894 Baku TURAN in English 1449 GMT 15 Oct 94

[FBIS Transcribed Text] Baku, October 15 (TURAN)—A closed session devoted to the discussion of oil contract, signed on September 20 between SOCAR [State Oil Company of the Azerbaijan Republic] and the consortium of Western oil companies is going on. The discussion of oil contract behind the closed doors is explained by the fact that one of the clauses of the contract reads about non-divulgence of terms and commercial deal of the contract, TURAN was told by one of the deputies. Ratification of oil contracts will take place after October 24. Western companies having signed the contract have to submit to Azeri leadership their bank guaranties and some fiscal documents by that time. The heads of the companies have also to have final talks with the Azeri president, after that the ratification of the contract will take place.

The deputies have discussed already the half of the contract in the Parliament, according to the same source. There were not any negative moments yet.

Georgia

More Refugees Cleared To Return to Abkhazia

LD1310184294 Moscow INTERFAX in English 1706 GMT 13 Oct 94

[FBIS Transcribed Text] The authorities in Abkhazia have cleared a further 334 questionnaires of Georgian refugees who will be allowed to return to their homes in the republic's Gali Region in the next few days, Abkhaz Vice Premier Enver Kapba said on Wednesday [12 October].

In an interview with Interfax, he said the papers will be handed over to Georgian authorities.

Only 19 out of 60 refugees allowed to come back a few days ago have done so. Many refused because of insufficient security guarantees.

Local observers say that such fears are groundless given that more than 40,000 Georgians have illegally returned to Gali in the past six months. There were no incidents of revenge killings, Abkhaz officials say.

On yesterday's meeting in Sochi by the four-nation commission for refugees, Kapba said there was no shift in the two sides' positions.

Commander Views 'Mopping-Up' Operations

LD1410153194 Moscow INTERFAX in English 1220 GMT 14 Oct 94

[FBIS Transcribed Text] The commander of the Russian peacekeeping contingent in Abkhazia Major-General Vasiliy Yakushev says the mopping-up operation in the Kodor Gorge is a success.

Well-informed sources in Sukhumi quoted Yakushev as saying Thursday, at a consultative meeting that brought together, in addition to himself, Georgian Prime Minister Otar Patsatsia and Defense Minister Varden Nadibaidze, and the Abkhazian chief of general staff Sergey Dbar.

Abkhazian sources say that the meeting took place in the village of Azhara, Kodor Gorge, while the press center of the Georgian Defense Ministry says it was held in the west Georgian city of Zugdidi.

After the meeting Yakushev quoted both UN observers and Abkhazian emissaries as saying there were no Georgian troops in the Kodor Gorge.

Earlier Thursday Yakushev told Interfax that ten pieces of army hardware and much ammunition were destroyed in the mopping-up operation.

Georgian Defense Minister Nadibaidze told Interfax that "the Russian servicemen did well in the Kodor gorge and the conditions are ripe for accelerating the peace process." Nadibaidze invited political leaders and diplomatic officers to take action.

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Georgian Prime-Minister Patsatsia also appreciated the peacekeepers' moves in the Kodor gorge. He told newsmen that the Russian troops "launched good contacts with the local residents." The safety of the Svan community raises no more questions, he said.

Patsatsia and Nadibaidze called for the earliest repatriation of ethnic Georgians.

General Says Kodor Gorge Free of Georgian Troops

LD1410194394 Tbilisi Radio Tbilisi Network in Georgian 1600 GMT 14 Oct 94

[FBIS Translated Text] The tripartite commission held its meeting in the Kodori Gorge village of Azhara at 1100 hours on 13 October. The meeting was attended by Georgian Prime Minister Otar Patsatsia, Georgian Defense Minister Vardiko Nadibaidze, State Minister Givi Lominadze, Abkhaz General Sergey (?Dvar), and other members of the commission.

Major General Vasiliy Yakushev, the commander of the Russian peacekeeping forces, who supervised the search operation in the Kodori Gorge, reported the details of the work carried out. The gorge was divided into A and B zones with a total area of 380 square kilometers. The special search commission consisted of several teams, each including Georgian and Abkhaz observers. Various types of warlike stores and ammunition were found during the search operation and destroyed on site the same day. More sophisticated equipment was also revealed but, because its presence was admitted by the Georgian military leadership before the operation, the equipment was not destroyed and was stored at the Russian peacekeeping forces' base under strict supervision. It should be noted that half of the equipment is unfit for military use. Helicopters and [word indistinct] are used to control areas difficult for access. The commission could not find any Georgian military units during the search. On the basis of the reports on the search operation submitted to the tripartite Commission, Major General Vasiliy Yakushev concluded that the Georgian side had fully complied with the 14 May agreement that stipulated the withdrawal of all Georgian troops from the Kodori Gorge.

Georgian Prime Minister Otar Patsatsia and Defense Minister Vardiko Nadibaidze thanked the members of the commission, especially Major General Vasiliy Yakushev, for the objective search carried out in the Kodori Gorge, and voiced a hope that the Abkhaz side would fulfill its promise in accordance with the agreement and expedite the consideration of documents submitted by Georgian refugees.

CONTACT news agency received this information from Gela Liklikadze, the head of the press service of the Georgian Defense Ministry.

Shevardnadze Calls For Crackdown on Organized Crime

LD1510201394 Moscow Radio Moscow World Service in English 1900 GMT 15 Oct 94

[FBIS Translated Text] Georgian leader Eduard Shevardnadze has demanded at a meeting of high-ranking interior officials that the republic's law enforcement bodies intensify the struggle against organized crime. He emphasized that the criminal situation in Georgia remains complicated and organized crime continues to pose a serious threat to the country. If we fail to liquidate rackets and the mafia, Prosecutor-General Jamlet Babilashvili said, economic reforms and foreign investments will be called in question. In this connection Security Minister Igor Giorgadze urged the parliament to speed up the adoption of a package of laws ensuring the basis for combatting corruption.

Fight Against Organized Crime Enters 'Decisive Phase'

LD1510150494 Moscow INTERFAX in English 1358 GMT 15 Oct 94

[FBIS Transcribed Text] Georgia's Interior Minister Shota Kviraia has said that the struggle against organized crime entered its "decisive phase."

Speaking at the conference of law-enforcement agencies held in Tbilisi on Saturday, he said that the mafia in Georgia also includes former servicemen, officials and members of different Interior Ministry structures. The results of recent operations testify to this, he said.

There are so many criminals in the Interior Ministry structures, that the ministry had to set up a special penitentiary in Western Georgia, where dozens of former policemen are serving their sentences.

In this connection the minister called for "resolutely continuing to cleanse the law-enforcement agencies."

This year alone Georgia's law-enforcement services confiscated over 250 kilos of narcotics, Kviraia said. He suggested that the parliament should think about drafting a law that would envisage death penalty for drug trafficking.

Leadership To Consolidate Armed Forces

LD1410194494 Moscow INTERFAX in English 1809 GMT 14 Oct 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] Well informed sources in Tbilisi reported to INTERFAX that the republic's leadership passed a decision to include Georgia's National Guards into the composition of a single system of the republican Defense Ministry.

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Local observers are inclined to connect this move with instituting Georgia's National Liberation Front which is in favour of a military solution of the Abkhazian problem (former defense minister Tengiz Kitovani, honorable chairman of the national guards, is one of the leaders of the front).

Meanwhile, on Thursday Kitovani made public a project of "exclusively defensive" military doctrine, as experts believe.

The document provides for formation of Georgia's armed forces in two stages and for increasing the army's strength from 15,000 to 20,000 people.

The first stage provides for conclusion of the inventory of the armaments and military equipment, their replenishing to an appropriate level, development of a legal basis for the formation and functioning of the armed forces, and conclusion of formation of the Defense Ministry's apparatus.

The second stage (1995-2005) provides for conclusion of formation of the organization structure of the Defense Ministry, transfer to combined principle of its replenishing, creation of a defensive potential, replenishing of the army with new arms and military technologies. Paramilitary formations made up of the population living near the border are supposed to guard the state border.

In accordance with the document expenditures for army for the next two years will amount to $200 million.

The Georgian parliament is to discuss the project of the military doctrine worked out by Kitovani's group along with the projects of other authors.

All-Georgian Congress: National Accord 'Top Priority'

LD1610155494 Moscow ITAR-TASS in English 1447 GMT 16 Oct 94

[By ITAR-TASS correspondent Albert Kochetkov]

[FBIS Transcribed Text] Tbilisi October 16 TASS—The first all-Georgian congress that ended in Tbilisi on Sunday proclaimed the idea of national unity and accord a top priority objective in building a new democratic Georgia and restoring peace in the republic.

The week-long congress was attended by 300 delegates who represented more than nine million members of the Georgian diaspora in Europe, north and south America, the Middle East, the Commonwealth of Independent States and other countries.

They visited western and eastern regions of Georgia and Adzharia and discussed material and spiritual assistance to the republic.

The participants agreed to hold such congresses in Tbilisi every year.

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Estonia

Trade Commission Initials Agreements With Ukraine

WS1410112894 Tallinn BNS in English 1900 GMT 13 Oct 94

[FBIS Transcribed Text] Tallinn, Oct 13, BNS—A joint Estonian-Ukrainian trade commission at a meeting in Tallinn Thursday [13 October] initialed four interstate agreements and discussed ways to expand trade ties between the two countries.

The four documents include agreements on mutual protection of investments, on interbank settlements, on railway transport, and on tourism. Three of the documents are expected to be signed at a prime minister's meeting of the two countries, due as soon as possible, officials said.

The bilateral agreement on interbank settlements is to step into force even sooner, as it was also signed by the Estonian central bank Thursday, said Peeter Tohver, deputy chancellor of the Estonian Economics Ministry.

Also discussed at the meeting were plans to sign a free trade treaty between the two countries. The treaty would be based on Estonia's similar agreements with Latvia, Lithuania and the European Union, said Urve Nou, chief of bureau at the Foreign Ministry in Tallinn. She added that this was also going to be something new for the Ukraine, the treaties signed by the country under the CIS framework being too vague and indefinite.

The head of the Ukrainian delegation, Deputy Minister of Construction and Mechanical Engineering Vadim Lyaschev, said trade relations between Estonia and Ukraine had developed at a good pace over the recent period. Apart from the four documents initialed on Thursday, the countries have concluded eight cooperation agreements for different areas. Ukraine reports having twenty intergovernmental agreements with Lithuania and four with Latvia.

Trade volumes between Estonia and Ukraine reached last year's level already by the end of August this year and Ukraine has become Estonia's eighth-important trade partner. Estonia mainly buys black metal and metal ore from Ukraine, selling to that country its farm production.

The joint commission is scheduled to next meet in Kiev in March next year.

Estonian leaders in statements earlier have said Ukraine has become a foreign political priority for the country after the withdrawal of Russian troops. Stability and security of the Ukraine is an integral component of stability and security in Europe, Foreign Minister Juri Luik said in a speech to Estonian diplomats last month. Luik said Estonia was proceeding from this principle in its efforts to establish close ties with Kiev.

President Lennart Meri and Foreign Minister Luik visited Ukraine in March this year. The country's then defense minister, Indrek Kannik, visited Kiev in April, and the head of the Foreign Ministry's political department, Toivo Klaar, in July.

Russian Organizations Ask For Migration Center

LD1710105594 Tallinn Radio Tallinn Network in Estonian 1500 GMT 15 Oct 94

[FBIS Translated Text] A meeting of the Estonian Union of Russian Citizens and the Russian community in Estonia today adopted an appeal to Russian President Boris Yeltsin which proposes setting up a migration center at the Russian Embassy in Estonian. The aim of the migration center would be to support people wishing to resettle in Russia from Estonia.

In addition to Yeltsin, the appeal will be sent to Ivan Rybkin, chairman of the Russian State Duma; Russian Foreign Minister Andrey Kozyrev; Russian Ambassador Aleksandr Trofimov; and to Russia's migration services.

Latvia

Cooperation Agreement Signed With Egypt

LD1310124694 Riga Radio Riga Network in Latvian 1800 GMT 12 Oct 94

[FBIS Translated Text] Latvian Foreign Minister Valdis Birkavs today met Hamdi Muhammad Ibrahim Nada, ambassador of the Arab Republic of Egypt to Latvia. An agreement on economic, technical, and scientific cooperation between the two states was signed during the meeting.

An intergovernmental joint committee for economic, technical, and scientific cooperation between Latvia and the Arab Republic of Egypt was also set up. It will, within its sphere of competence, ensure exchange of information and consultations and will promote agreements between enterprises of the two countries.

German Delegation Arrives for Cooperation Talks

LD1310163294 Riga Radio Riga Network in Latvian 1401 GMT 13 Oct 94

[FBIS Translated Text] Secretary of State Walter Kittel, plenipotentiary councillor of the German Government on issues of economic consultations in eastern Europe, arrived in Latvia today. The aim of his visit is to evaluate, together with Latvian experts, this year's consultations, and to discuss a cooperation program for next year.

The German delegation, which also includes representatives of some German ministries, today met Prime Minister Maris Gailis.

Meetings with Foreign Minister Valdis Birkavs, Finance Minister Andris Piebalgs, and Minister of Agriculture

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Arijs Udris are also scheduled. Walter Kittel will also take part in discussions with employers' and employees' organizations.

Portuguese President Arrives for State Visit

LD1710105694 Riga Radio Riga Network in Latvian 1000 GMT 17 Oct 94

[FBIS Translated Excerpt] The two-day state visit to Latvia by Portuguese President Mario Soares begins today. An hour ago, he arrived at Riga international airport together with his wife Maria Soares. Talks with Latvian President Guntis Ulmanis are currently under way at Riga Palace. After that, the guest will lay flowers at the Freedom Monument. In the afternoon, the Portuguese president will meet with Saeima [Parliament] Speaker Anatolijs Gorbunovs and heads of parliamentary factions at the Saeima building. Together with his wife and ambassadors accredited to Latvia, the Portuguese president will view the historical and architectural monuments of Old Riga and will listen to a short organ concert in Riga cathedral. At his residence at the Hotel de Rome, the Portuguese president will receive Prime Minister Maris Gailis. [passage omitted]

New TV Station Begins Broadcasting

LD1610185394 Riga Radio Riga Network in Latvian 1800 GMT 15 Oct 94

[FBIS Translated Text] A private television company, RBS-TV, started broadcasting on the 38th decimeter channel [as heard] an hour ago. It will be broadcasting every day from 1900 [1700 GMT] until 0100 [2300 GMT]. It will be possible to view its programs within 70 to 90 kms around Riga.

The television company will offer its viewers a wide range of programs; for example, news bulletins four times during the time it is on air, various features, and musical programs. Films and various sports competitions will also be shown. However, RBS-TV will only be broadcasting that type of material for which it has obtained legal rights. It is planned to increase broadcasting time of RBS television to 18 hours a day.

Lithuania

UN Human Rights Official Arrives for Visit

LD1610170094 Moscow INTERFAX in English 1554 GMT 16 Oct 94

[FBIS Transcribed Text] UN Commissioner for Human Rights, Jose Ayala Lasso arrived in Vilnius on Sunday [16 October] for a two-day visit. A spokesman for the Lithuanian Foreign Ministry told Interfax that the visit is aimed at getting acquainted with the human rights situation in Lithuania.

Jose Ayala Lasso will meet on Monday, October 17, Lithuanian President Algirdas Brazauskas, Parliament Speaker Ceslovas Jursenas, Prime Minister Adolfas Slezevicius, other officials, members of the parliamentary Committee for Human Rights and Nationalities.

Experts of international delegations believe that the situation with the observance of human rights in Lithuania is favorable: The country has solved the problem of citizenship with due account of the interests of all parties concerned. A new human rights department is to operate in the Justice Ministry.

After he visits Vilnius, Lasso will also get acquainted with the observance of human rights in Latvia and Estonia, [and] will visit Norway, Sweden and Finland.

Foreign Affairs Delegation Departs for Moscow

LD1610170494 Moscow INTERFAX in English 1554 GMT 16 Oct 94

[FBIS Transcribed Text] A delegation of the Lithuanian parliament's Commission for Foreign Affairs is flying out to Moscow on Sunday [16 October] evening, the committee's chairman Kazys Bobelis told Interfax.

During a two-day visit on the invitation of the Russian parliament, the Lithuanian deputies are to discuss ways of broadening inter-parliamentary relations and trade and economic contacts between the two countries.

In the first place, the Lithuanian delegation is planning to find out why Russia is not implementing the most-favored nation status agreement, signed in November 1993 by Lithuanian Prime Minister Adolfas Slezevicius and his Russian counterpart Viktor Chernomyrdin. The discussion is also expected to deal with problems facing Lithuanians living in Russia and ethnic Russians living in Lithuania.

Priority importance is to be attached to Russian military transit through Lithuania to the Kaliningrad Region (the Russian exclave in the Baltic region). Lithuania has already sent the draft transit rules to Moscow.

Head of the Lithuanian working group on talks with the CIS countries, special envoy Virgilijus Bulovas told Interfax that a date of consultations on drafting the agreement is expected to be fixed during the Lithuanian delegation's visit.

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